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The Nation's Business . . .

Let's Face the Facts —At *Home*

Canada's war production, progressing well in many respects, is bogging down in others because we are still improvising and still have no master plan, either for our war effort as a whole or for war supply in particular.

Until recently Arthur B. Purvis was also working in the dark in seeking to mobilize American industry for British war production. American papers recently reported that his visit to England was made to force out of British authorities "a consolidated schedule of estimated British war needs" based upon a plan for victory.

Mr. Purvis apparently got what he went after. He was able to lay before Mr. Knudsen a "brief, but pregnant document" setting forth every form of military and naval materiel Britain will require from the United States to get ready for the 1942 offensive that is planned to win the war.

Did Mr. Howe bring back a similar schedule for Canada? There is no evidence that he did.

Has Canada drafted any such schedule on its own account? There is clear-cut evidence that we have not.

Have we even tied ourselves in with Mr. Purvis's working plan? Not effectively. The Minister of Supply makes periodical trips to Washington. But he has no first-rate senior official executive in Washington, constantly in touch with Mr. Knudsen and Mr. Purvis and ensuring the complete co-ordination of our programme with the Knudsen and Purvis programmes. True we have a Legation there, but the Montreal Gazette and the Toronto Globe and Mail have only this past week bluntly revealed its impotence.

* * *

No; Canada has neither a master plan for war nor a well framed schedule for war production.

The Minister of Munitions and Supply has no time to think or to plan. Mr. Howe, in his anxiety to fulfill his conception of his responsibilities as "boss" of war production, will not give any of his lieutenants authority over more than one isolated phase of the work. He smothers himself in managerial details. (In fact, he is so confident of his ability to carry several jobs that he even retains his control of Trans-Canada Airways and certain other unrelated activities. With a 30-ring circus as his major job he insists on running several sideshows.) He has not even made effective use of the Wartime Requirements Board. The board was established (Mr. Howe's words):

> ". . . to plan the most productive and direct use for war purposes of available supplies of materials, power, manufacturing plant and facilities, and transportation facilities, in order to ensure that war needs, in the order of their importance, shall have priority over all other needs. . . ."

"To plan and direct."

Well, there is a good deal of evidence that Mr. MacMillan did some planning and tried to do some directing. With what result? When he went West this week Mr. MacMillan said, in effect, he would be back if Ottawa had a job it wanted him to do.

That simple statement tells the story. The Minister evidently did not want the Wartime Requirements Board to plan or direct the war production effort. When Mr. MacMillan began to look into some of the lagging phases of war production, such as Federal Aircraft; when he set out to create the machinery needed to give war production the right-of-way he soon found himself blocked. Apparently his powers were to be advisory powers, very sweeping so long as he did not try to use them to get action on his own initiative.

* * *

So it goes all down the line.

Excellent objectives on paper, but no way to ensure that they will be attained in practice.

A treasury of first-class executive talent at Ottawa, but much of it going to waste because of lack of authority and lack of co-ordination.

All this is pretty discouraging to Canadians, anxious to get ahead with the "total effort" demanded of the country by the Prime Minister.

* * *

To achieve that total effort it is clear what is needed. First, we need a master war plan.

To draft our master war plan we need an inner war cabinet, freed from the choking detail of departmental duties.

When we have such a plan we shall know much better what equipment and supplies are needed, and which of them this country can and should make. Mr. Howe's latest press interview announced the forthcoming production in Canada of long-range bombers, destroyers, merchant ships and tanks, all additional to what we are now making or tooling up to make. The Winnipeg Free Press speaks what is in the minds of many when it suggests that

> ". . . in view of the present crowded capacity of existing war industry, such forecasts must be interpreted as an expression of somewhat distant aspirations rather than an immediate programme."

When we have decided what Canada must make, when we have our war production schedule we shall need men to carry it out—men with power and authority. In respect to the production of the materiel of war Canada needs—and urgently needs—a "Sir Joseph Flavelle," a general manager of war supply.

The action man of war production need not be a minister. He should not be in the cabinet at all. A minister has a political job to do, political in its very highest sense. The executive will have to be under the Minister, but he must be given the go-ahead signal to get the job done his own businesslike way.

Ottawa is crowded with able men who are hampered by lack of leadership and co-ordination. We must put these production chiefs under a captain of their own type, empowered and directed to get rid of the bottlenecks and to get full-scale production out of Canadian industry.

* * *

Again we repeat three planks from The Financial Post "Platform for Canada," published weekly on the editorial page:

> **"Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.**
>
> **"An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out."**
>
> **"Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply."**

These three essentials of an all-out war effort cannot be much longer delayed!

* * *

Sun Life Justly Proud of Its Management

At the 70th annual meeting of the Sun Life Assurance Co. of Canada in Montreal this week, Arthur B. Wood, president and managing director, drew attention to the fact that three distinguished members of the company's board of directors, Sir Edward Beatty, Rt. Hon. Arthur B. Purvis and Morris W. Wilson, were aiding the Canadian and British Governments in important capacities associated with the war effort.

This timely tribute to three outstanding Canadians is also a tribute to the Sun Life.

It is no matter of chance that men who have been called to positions of high responsibility in the war effort should be the men who direct and advise the administration of Canada's largest life insurance institution.

These are men of high integrity and character. They are citizens in whom business as well as the State places the highest confidence.

In time of peace they bring great qualities of mind and heart to the solution of corporate problems faced by world-wide Institutions such as the Sun Life.

In time of crisis they may be counted on to give the same leadership in the larger realm of public service.

The progress and growth of Sun Life of Canada during its seventy years of insurance trusteeship re-

(Continued on page 2, col. 3)

Two-stage Plan Seen For Abitibi

Royal Commission Report Expected Soon, Believed Likely to Propose "Moratorium"

Report of the Royal Commission which has been investigating the position of Abitibi Power & Paper Co. under authority from the Ontario Government is expected to be ready within the coming week.

The report will not be released to the public until after the Government has received it.

As already pointed out by The Post it is expected that the report will include an actual scheme for removing Abitibi from its long receivership. It would not be surprising if this plan did not contemplate immediate settlement of all the problems facing those striving to reorganize Abitibi. Perhaps a type of "status quo," or moratorium, may be recommended. This would likely mean that bondholders' claims will be recognized as prior and that first efforts of the company should be directed toward satisfying their requirements.

But shareholders are not likely to be left out in the cold. Rather they might be left with their present securities, or others representing the same status, with the suggestion that this set-up be continued until such time as a suggested portion of the bond claims have been paid off. Then, perhaps at a time when earnings are at such a level as to leave good evidence of some equity for shareholders, the job could be finished.

This would be fairly closely along the lines suggested by the receiver and manager, G. T. Clarkson, in his evidence before the commission. It is also known that influential bondholders are receptive to such a plan,

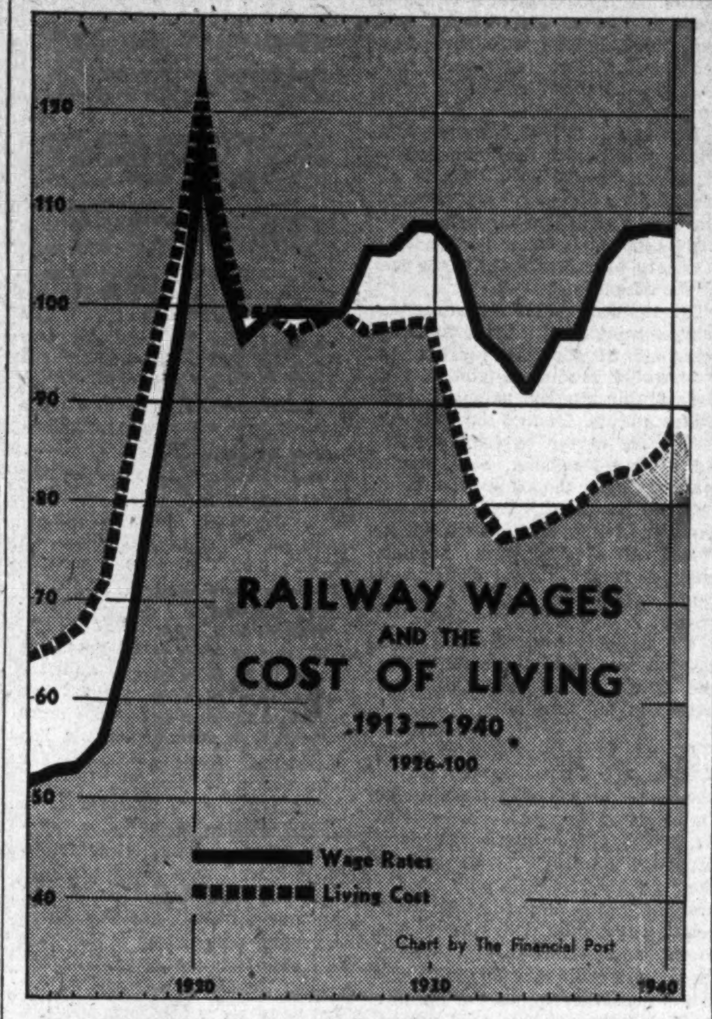
(Continued on page 5, col. 4)

Big Mining Issue Out Next Week

Full of the latest information on individual mining camps and leading properties, The Financial Post's National Mining Number comes off the press next week.

In view of the importance of mines in wartime, mining activity now holds special interest. Gold mines are striving for greater output to increase foreign exchange. Base metal mines are straining to increase their strategic output still farther. The search for "war metals" is progressing favorably.

Mining news will be well spotlighted in The Post for the next month or so. On the heels of the National Mining Number will come weekly publication of the winning entries and runners-up portfolios in the "Investing in Canada's Mines" contest.



Canada's 130,000 railway employees are pressing for a cost-of-living wage bonus to meet the rise in living costs since the war started. The proposal would add about $8 millions to annual rail payrolls.

The above chart shows how the gap between living costs and railway wage rates has widened in recent years. Railway wage rates are now at the 1929 level. Any increase even in the form of a cost-of-living wage bonus would bring them up toward the record peak established in 1920. Living costs are now 6.9% greater than in Sept., 1939.

Auto Production Here Widened by Import Ban

Several automobile companies have moved to extend their operations in Canada, to hold their Canadian markets in the face of the Government wartime ban on imports of passenger cars. Hudson and Studebaker are reported ready to supply their Canadian requirements with Canadian-produced cars, and other concerns may adopt the same policy.

Production of the entire line of Hudson cars has been undertaken by Hudson Motors of Canada Ltd. at its plant at Tilbury, in the Windsor area. This plant was fully used in the past for Hudson production in Canada, but in recent years had been operated chiefly as a warehouse and distribution centre, with the bulk of Hudson cars sold in Canada being imported complete or nearly so.

Part of the original plant was absorbed by manufacturing operations of other interests and is now being used to meet requirements of Canada's war effort. The remaining section, however, has sufficient equipment and capacity, it is believed, to enable Hudson's Canadian production to keep pace with the continued wartime demand for this line of cars.

Plans to expand operations of Studebaker Corp. of Canada to supply its domestic market with Canadian-produced cars are understood to be under way, though at midweek final decision had not been taken nor actual production initiated at Studebaker's Walkerville plant. This company is in much the same position as Hudson, with an available plant which has been used to manufacture cars but for the past few years has been employed mainly as a warehouse, servicing and distribution unit.

Preliminary steps have been taken, it is reported, to commence the Canadian production of Studebaker lines sold in Canada, should no alternative method evolve for retaining through the war the position held by this company in the Canadian auto market.

Serious Problem

Several other makes of hitherto imported cars face suspension of sales in Canada "for the duration," unless they adopt the same policy as

(Continued on page 2, col. 7)

Rail Men's Bonus Plea Seen Test

Adding $8 Millions to Railway Payrolls Might Force Review of War Wage Policy

Move by Canadian railway employees to get a cost-of-living wage bonus will be the first major test of Canada's wartime wage policy. If the bonus is granted it will mean probably an $8 millions increase in railway payrolls. It will bring rail wages up toward the mountain peak of 1918 rates.

Ottawa's official index of wage rates for steam railway employees has jumped 17% from the depression low, and is now approximately level with the 1929 rate. According to the Government's new wartime wage bonus policy, railway employees are entitled to a bonus proportionate to the rise in the cost of living over and above the 1929 "ceiling."

It is estimated roughly that the bonus would mean about $1.25 a week to all types of railway worker. And if the railwaymen are able to obtain this bonus a pattern will probably be set for many other labor groups throughout Canada. The estimate of $1.25 a week is based on the fact that family living costs have gone up about 6.9% since Sept., 1939. The bonus would be the same for all workers irrespective of their rates of pay.

High Level Now

Final figures for 1940 are not available, but in 1939 salaries and wages to railway workers in Canada topped the $200 millions mark. This is the highest total since 1931. Eleven months totals for 1940 suggest last year's bill will be higher by at least 7%, giving a total of about $215 millions.

Average of salaries and wages paid to railway employees in 1939 was $1,549. This is almost a record high. Only in one year did railway workers receive a higher average pay. That was in 1920 when the officially reported average of pay was $1,569.

Discussions of wage rate increases now going forward between the railways and employees are said to centre around the possibility of an even greater increase than would be justified by the cost-of-living basis cited above.

Political Aspect

The application of railway employees for more pay has important political implications at this time. About 60% of the increase would be paid by the Canadian National Railways. Since the railway is still running behind in its operating accounts and the Government is paying the deficits, the increase in wages will come directly out of the public purse.

A payment of this sort to a group

(Continued on page 2, col. 8)

Pressure Increases On Federal Aircraft

Experts and Associates Advise Hon. C. D. Howe to Dissolve or Reorganize Anson Bottleneck—Estimate of Production in Three Months Deemed Fantastic

Evidence now accumulates that Hon. C. D. Howe, Minister of Munitions and Supply, cannot much longer resist the advice of experts and of associates to dissolve or reorganize Federal Aircraft, Ltd. This government company has become the bottleneck of production in the vitally important job of turning out Avro Anson bombers in Canada.

Nearly six weeks ago, Hon. Angus L. Macdonald, Acting Minister of Munitions and Supply, requested an opportunity to discuss airplane production problems with manufacturers interested in Anson bombers. Mr. Macdonald met representatives of leading firms and learned at first hand of the chaotic plight of the Avro Anson programme. He requested the manufacturers to give him their specific suggestions as to how this situation (the responsibility of Federal Aircraft, Ltd.) might be remedied.

On Jan. 7, as reported in last week's Financial Post, the manufacturers submitted to Mr. Macdonald "at the request of the Minister" a unanimous recommendation as to what should be done.

The report contained not more than 100 or 200 words. It urged bluntly:

1. Federal Aircraft, Ltd., to be dissolved.
2. de Havilland Aircraft of Canada be asked to manage (or administer) for the Department of Munitions and Supply the Avro Anson project, taking over the personnel, materials, records, etc., of Federal Aircraft.
3. de Havilland Aircraft to assume responsibility for engineering and procurement of materials, etc.
4. The Department of Munitions and Supply to take over the contractual and financial obligations and the financial functions of Federal.

The document was signed by chief executives of the six firms under contract with Federal Aircraft to manufacture or assemble parts and components of the Avro Anson plane:

Victor M. Drury, president, Canadian Car & Foundry Co.

Redmond Quain, president, Ottawa Car & Aircraft Ltd.

Robert J. Magor, president and chairman, National Steel Car Corp.

Philip C. Garratt, managing director, de Havilland Aircraft of Canada, Ltd.

Morley Verity, superintendent, Massey-Harris Company Ltd.

Stanley Burke, president, Boeing Aircraft of Canada.

As a result of these recommendations a cable was dispatched to Hon. C. D. Howe urging that some action be taken. Mr. Howe is reported to have asked that the matter be held in abeyance pending his return.

MacMillan Findings

Meanwhile, H. R. MacMillan, chairman of the Wartime Requirements Board, undertook some independent investigations on his own regarding the bottlenecks in aircraft production.

A leading executive in aircraft production in the United States was asked to come to Canada to size up the situation. He conferred with various officials and executives and made a report to the Requirements Board. His views tallied apparently with those of Canadian manufacturers. They confirmed the hopelessness of the Federal situation in its present state.

On the basis of this report, Mr. MacMillan in turn is said to have recommended to the Government that Federal Aircraft be abolished.

This recommendation was contained in the report Mr. MacMillan submitted to his chief, Mr. Howe,

(Continued on page 2, col. 6)

Cigarette Price Cut in Ontario

From Our Own Correspondent

MONTREAL. — Imperial Tobacco Co. of Canada is now accepting orders from the trade in Ontario for Sweet Caporal and Turret cigarettes to retail at 22 for 25 cents. This new price, which meets that established by Macdonald's on certain brands, applies only to Ontario. Other brand prices are not affected at this time, not does change in price of Sweet Caporal and Turrets apply to Quebec and other provinces where the sales tax is an important factor in retail price of cigarettes.

Volume Jumps Bldg. Products

Taxation Takes 91 Cents Per Share, Leaving 86 Cents Net

Following a year's operations in which business reached record volume, Building Products Ltd. faces another year of peak production, according to W. R. McNeil, president.

Operating profits for 1940 exceeded $1 million as compared with $731,000 in 1939, but a rise in taxes brought a drop in net earnings per share to 86 cents compared with $1.01 in 1939. Dominion and provincial taxes now absorb a larger share of the company's revenues than is left for shareholders. Taxes for 1940 were equivalent to 91 cents per share against 21 cents per share in 1939.

Improvement in operations in 1940 is attributed by Mr. McNeil to the ten-year peak in building activity which was experienced in the year. Residential building remained about the same as in 1939 but construction under the Empire Air Training Plan and the expansion of industrial plants for war purposes reached an unusually high level. Domestic business continued to feel the benefit of the Home Improvement Plan which terminated Oct. 31, 1940, and the National Housing Act which remains in force.

The new paper mill at Winnipeg was started in June and put on a maximum production basis in October.

Bell Tel. Net Up From '39

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada reports operating and other revenues for 1940 at $51,344,832. This is the largest in the company's history.

Taxes amounted to $5,465,000, an increase of 75%. Net profits of $6,690,542 are equal to $8.20 a share, against $8.05 a share in 1939. At the end of the year telephone installations had reached a new peak.

The War And Business . . *A Weekly Round-up*

10% Defense Tax?

Hon. J. L. Ralston estimated that the National Defense tax at present rates of 2% and 3% would bring in about $35 millions annually.

In the next budget it is not improbable that the tax will be raised to 10%.

* * *

Delivering Aid

Perhaps the most important feature of Winston Churchill's address on Sunday was his statement that Britain will need more ships by 1942. That statement must be read alongside of his closing appeal to America, "Give us the tools and we will finish the job."

The only American production that will be helpful in winning the war is the production that is laid down at the battle front.

Will the American people consent to turn our airplanes, guns, tanks, rifles and other war equipment, valued at billions of dollars, and offer them as a virtual free gift to the British people, and at the same time be content to see a substantial percentage of them sunk below the Atlantic

* * *

That is a question to which Congress has devoted little attention yet. But it is a question that must be answered soon.

Britain needs ships but she needs more than that. She needs increased naval aid for convoy purposes to ensure that the new ships, as built and as loaded with American and Canadian arms and food, will not be sunk.

In Washington, those who usually see developments months in advance of their fellows are already forecasting that it must not be just one of GIVING aid to Britain but of DELIVERING aid to Britain.

* * *

Air Training Programme

The confusing paragraph concerning air training in the war programme announced by Prime Minister King can now be fully explained.

Mr. King said that there would be just as much construction for air training this summer as last summer.

Most people concluded that this meant the doubling of the air training plan. Actually the plan is not to be enlarged. It remains exactly as it was although the estimated cost for three years is now placed at $1,000 millions instead of $600 millions and our share of it at $583 millions instead of $350 millions.

The first estimate of total cost erred because no allowance was made for the added expense of rush construction or for the advance in schedule of airplanes and equipment.

* * *

The explanation of the building programme to which Mr. King alluded is as follows—

Completed training plan will cost:

Airdromes	$27,700,000
Buildings, etc.	60,500,000
	88,200,000

Cost of construction for British training schools:

Airdromes	$10,000,000
Buildings	15,000,000
	25,000,000

This makes a grand total for construction now approved of $113,200,000.

Of this total, the amount actually paid in cash up to Dec. 31, 1940, was $48 millions. Added to this are accounts which will accrue before Mar. 31 next of $19.5 millions.

* * *

There remains $46 millions of construction to be carried out this summer. This is divided about evenly between British and Canadian accounts. There is still work to be done on 32 schools in the plan.

These figures do not fully substantiate Mr. King's statement.

To equal last year's total of construction would mean about $67.5 millions of construction—not $46 millions.

Officially (for the present) the air training plan is not being enlarged, But Mr. King's statement, it is said, may nevertheless turn out to be true.

* * *

Pork Boom?

The tidal wave of interest which has surged up around thiamin (vitamin B_1) in recent weeks—see also page 11 — has centred chiefly around bread and milling problems. There is no doubt that "enriched" flour is here to stay and that the swing to thiamin is much too important and fundamental to be branded as a fad. The need for maximum health in wartime has given added emphasis to a major development on the nutrition front.

Generally overlooked is the prospect of increased sales for pork which will almost inevitably follow the emphasis on thiamin.

According to a leading American nutrition expert, the "best" type of North American diet—a pint of milk, one egg, one serving of meat, one or two potatoes, fruit, a vegetable, a little lettuce and perhaps an orange—will furnish something like 200 units of thiamin.

But if you serve lean pork as the "meat." the number of units of thiamin jumps to something between 400 and 500.

Pork happens to be a very rich source of thiamin.

* * *

Ulcers and Pensions

In one important medical centre as high as 30% of the men who are returning from overseas service are reported as suffering from duodenal ulcer.

This is an alarmingly high ratio.

If the diagnosis proves correct these men drop into category E and will become eligible for a substantial pension.

In some cases the original diagnosis has fortunately been incorrect. In others the men apparently suffered from stomach trouble before joining the army. Such situations would, of course, have a bearing on pension qualifications.

If these early figures are substantiated they suggest a major field for postwar medical research as well as alarmingly high postwar pension bills for Canadian taxpayers.

* * *

Communist Strategy

Death of General W. G. Krivitsky in Washington this week focuses interest in a dramatic manner on Communist and OGPU activities.

Just this week the most recent report of the Imperial Policy Group in London draws attention to the fact that since the visit of M. Molotoff to Berlin, propaganda from leftist groups has been almost exactly coincident with that coming from Berlin. Says the report:

"Some documents published by Communists in this country on the subject of war are strikingly like the terms of Hitler's last speech, which was an appeal to the masses on almost communistic grounds.

"Whether we like it or not, the fact must be faced that the Communist party in Britain as well as many bodies associated with it, is working to undermine the national effort and is spreading views indistinguishable from those put out by the Nazis themselves.

"Those charged with the responsibility for public security in this country might well devote some time to research in this direction. It will be found illuminating. We are satisfied from all the information reaching us that Russia has agreed to assist the Germans in this way."

* * *

Shipping Programme

Highlights of Canada's shipping programme were announced this week from Ottawa. The report states that 45 corvettes and 13 minesweepers have been launched to date by Canadian yards. Launchings of 14 or more corvettes and 18 more minesweepers are anticipated by May.

From inception the programme included 60 corvettes for the Canadian Navy; 10 for the Royal Navy; 38 Canadian minesweepers for Canada, 12 for Britain; 10 wooden minesweepers for the Royal Navy; 20 Fairmile boats for Canada; 20 merchant vessels and a large number of smaller craft.

Contracts have been let for construction of two large merchant vessels for the British Government. This brings to 20 the number of cargo ships being built for U. K.

About 17,000 men are employed in the 17 major and 45 smaller shipyards and in allied industries. Production value of the programme remains fairly constant at about $70 millions—as ships come off the ways, completed—others are added to keep Canadian facilities at full capacity.

* * *

War Claims

Claims in 1940 in respect of losses arising directly or indirectly from the war cost Sun Life of Canada $495,289 in 1940. Of these, claims of men on active service amounted to $289,072, almost 50% being due to accident and disease. Claims on civilians killed in air raids amounted to $58,345, and to $146,055 on civilians lost at sea. Thus the 119 claims traceable to war conditions represented less than 2% of total claims.

This compares with 9% of total claims incurred by accidental causes, automobile accidents alone accounting for 4%.

Rumor Changes Coming Conservative Leadership

From Our Own Correspondent

OTTAWA. — In Conservative circles at Ottawa there are strong indications of a move to strengthen the Parliamentary position of the party.

Whether or no the elder statesmen of the party are seriously considering a change in the leadership is not clear, but The Post learns that Sidney Smith, president of Manitoba University and often mentioned as a possible successor to Rt. Hon. R. B. Bennett, is now considering entering Parliament early this summer, as soon as possible after the university year is ended.

Party reports indicate that Hon. R. B. Hanson is seeking relief from arduous duties and help in the rebuilding of the Conservative party. No change in leadership would be contemplated without Mr. Hanson's direct approval.

Make Sure You See—

How Sickness Hits War Potential

Lost — 3,750 Planes—p. 11.

Cuba—Land of Unusual Contrasts

Cuba, Caribbean Headache—p. 11.

Supercharged Flour to the Fore

Revolution in Bread—p. 11.

Hitler's Unpaid U. S. Allies

U. S. Isolation Pacifist—p. 3.

Canada's Effort on the Oil Front

Canadian Crude Takes Wings—p. 19.

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Curb Put on Priorities In U. S. Defense Drive

Method Reserved as Emergency Means to Blast Out Bottlenecks in Huge Production Programme—Voluntary Plan Used to Some Extent

H. C. Braund, managing editor of the technical papers division, The MacLean Publishing Company, Ltd., recently took part in one of the periodic "Washington round-up" gatherings of the National Conference of Business Paper Editors. While in the U. S. capital, he made a direct survey through key contacts of the progress of the vast production programme for U. S. defense and war aid to Britain. The following article reports the highlights of what he learned.

By H. C. BRAUND

WASHINGTON. — Priorities should be a last-ditch method to blast out bottlenecks, American defense production authorities here say. They will be sparingly applied in the U. S., and cannot legally be attached there to Canadian orders. "Voluntary priorities," based on the co-operation of the producer, can be and are attached to some Canadian business.

OPM are the magic letters in Washington today. They stand for Office of Production Management, under the control of William Knudsen and Sidney Hillman. They have built up a big organization to organize and manage the defense and allied production job in the U. S. Headed up mostly by $1 a year men, OPM has no right to place orders. The Army and Navy only can sign contracts, but decisions are increasingly being made by OPM.

Business and industry in the United States have not yet grasped the size of the production job they have undertaken. But official Washington, plus business leaders drafted to work there, are busy waking the nation to its tasks.

Last week, Francis Trecker, a milling machine manufacturer, and his OPM subcontracting division, called in the heads of the 36 Federal Reserve districts. Purpose: To organize a combined banker-engineer network to draw small plants into the production scheme.

Mostly in East

Most of the war business so far placed is concentrated on the Atlantic coast in an area not much bigger than England, with the next largest share in three areas on the west coast. The large well-equipped plants, some with experience at the job, got most of the business.

Those in charge of this huge war job now feel that, since time and not cost is the prime factor, the thousands of smaller plants throughout the nation should be called in to take subcontracts. This would reduce the number of large new plants that will have to be built. Some big producers have already subcontracted as much as 50% of the business on their books.

"Feet On Ground"

Britain had an exaggerated idea of the mass-production possibilities of the United States, business leaders say. In the past eight months they have learned much of the true situation, "and should now have their feet on the ground."

The United States passed the 1,000-plane mark in January (though many were trainers), is sending bombers across the ocean by air in increasing numbers. But the U. S. is unable to equip many of them properly, since gun production, particularly on the new 37 mm. air cannon, is lagging.

Passing of the lend-lease law will probably cause some changes in the production plans in Canada, but the need is so great and the demand so insistent that there will be full-scale operation on both sides of the line.

Labor Attitude

Organized labor in the United States tried to get a seat in the planning councils, had its plan sidetracked, insists that no huge fortunes be built up now. Rather pay the profits in wages, to be respent, they say. They don't want strikes, they claim, but will not stand by and see large profits made and workers denied a share in them. A soberer NLRB is now reorganizing its set-up, and this should have a conciliatory effect.

There is little shortage of raw materials, but there are bottlenecks in some of the fabrication processes. There may be rationing, which might bob up as forms of price-control, particularly at the moment in non-ferrous metals. Priorities are not legal in transportation or power. Machine tool shipments to Canada are being closely watched but so far no strong action has been taken to limit them. The tool supply situation is undoubtedly difficult.

Big Programme

The colossal production programme involved in expanding the U. S. Navy 100% and the Army 1,000%, as well as supplying Canada, England, Greece, the Dutch Indies and some other countries, "makes goose-pimples run up and down your spine," declares an experienced industrialist now high in the OPM. The aircraft industry must jump from an output of $700 millions to $3,000 millions in 18 months, matching the growth achieved by the automotive industry in 40 years of operation.

There's no shortage of money to do the job. RFC and the Defense Finance Corp. were voted a billion for that job. When the aircraft companies and the banks worked out lower rates, RFC cut its rate, feeling Congress had given it the money to use.

American business, through the Business Advisory Council, is making a running study of conditions, attempting to cushion the shock now and after the splurge. Washington officials, both paid and unpaid, repeatedly say the country has sufficient production capacity to superimpose war demand on current business without affecting the consumer, that the automotive production situation has been "overplayed." But here and there comes from an embattled department head, faced with a near-superhuman task, the cry: "Someone's going to feel the pinch."

Taxation problems have not yet begun to darken the horizon appreciably. There will be some minor alterations in the excess profits tax, and some increases, not severe, in personal and other income taxes, but officials say the load on business will not be seriously increased. Congress is being asked for an additional $175 millions in order that Government buyers for the Army and Navy can buy ahead of needs, lay in stocks, lessen the strain on consumer goods and prevent undue rises in prices.

Canadian Bronze Co. Earns $1.88 a Share

From Our Own Correspondent

MONTREAL. — Canadian Bronze Co. earnings for 1940 show a moderate drop at $378,308, compared with $403,113 in 1939. Increase in taxes reduced net profit to $187,776 against $267,408 the year before. Earnings on common stock were $1.88, necessitating drawing on surplus for $9,724 to cover common dividends. Surplus after all charges in 1939 was $69,908, and the company earned $2.87 a share on its common.

The Nation's Business

(Continued from page 1)

flect the calibre and character of the men who are associated with Mr. Wood in directing the affairs of the great Canadian institution.

• • •

Dangerous Proposal

A great many Canadian editors are outraged by the policies of the Chicago Tribune. Its policy is one of isolationism. Canadians may think isolationism is a stupid form of blindness under present circumstances, yet no one in Canada has a right to protest when an American newspaper adopts that as its editorial policy. Unhappily the Tribune's editors seem to think that they can not do justice to their isolationist policy without smearing Great Britain and pouring contempt upon the cause for which we fight. At that point Canadians do justly protest. And some people fly into print with rather dangerous proposals for punitive action.

• • •

The Chicago Tribune jointly with its sister paper in New York, owns two Canadian newsprint mills These mills are exempt from the government-dictated "prorating" plan which requires newsprint mills in Ontario and Quebec to share their tonnage on an approximately even basis of operations. This is not the point to argue the pros and cons either of prorating or of the reasons for the exemptions. But that Col. R. R. McCormick, the owner of the Tribune, derives a very great dollars and cents benefit from his privileged position is not questioned.

Many Canadians are asking why a foreign publisher, who is persistent in his materialist cynicism for the British cause, should be allowed special favors in Canada. The demand is voiced in a number of papers that the provinces should "crack down" on Col. McCormick and force him to prorate, or at least bring the Chicago Tribune in line by the threat of prorating.

• • •

For the Chicago Tribune's sneers at Britain The Financial Post has as much dislike as anyone else. For Col. McCormick's Lindbergh-like tremors and fears that Britain cannot win, we have more pity than contempt.

It does not follow, however, that the way to punish the Chicago Tribune is to strike at it through its newsprint supplies. That may be the way Herr Hitler has been keeping Balkan newspapers in line. But it is not a technique that Canada can or should adopt.

The slightest suggestion that Canada is attempting to dictate the editorial opinion of the American press on the war would produce a violent and unfavorable reaction among United States editors. In fact the business newspaper of the publishing field, Editor and Publisher, has already warned that a Canadian attempt to retaliate against the Tribune, through its newsprint supplies, would give comfort to Britain's enemies in the United States and cause grief for Britain's many friends.

We probably could not force the Tribune into line but we could lose the sympathies of scores of other papers in the attempt.

• • •

If the Tribune-owned mills in Canada are forced to prorate, it should be because the premiers of Ontario and Quebec conceive it to be in the public interest to make prorating applicable to all mills in their jurisdiction. The only considerations that should apply are those relating to public policy in respect to the newsprint industry. Within these limits there may be good arguments for action against the Tribune mills, but the action should not be taken because they are Tribune mills, or because the Tribune uses Canadian-made paper to blast at Britain.

We have not yet reached the stage where we have to borrow Hitler's bludgeoning techniques against the newspapers of a friendly neutral country, even if we do not like what those papers are saying.

• • •

Pollyanna at The Duplicator

All over Canada the press is beginning to protest against the flood of "releases," speeches and broadcasts from Ottawa calculated to hide deficiencies in our war effort.

Ceaselessly there pours from the duplicators of the Government's press agents a stream of smug complacent, self-congratulatory propaganda about the marvels of Canada's achievements in the war. The material is fed by ministers and political assistants. That some of it is inaccurate—and demonstrably so—is deplorable. That much of it is overoptimistic as regards promised performance is tragic.

The Canadian people are willing to take their war facts straight. They are ready to make any contribution—in labor or self-denial—to win the war. They do not want Pollyanna leadership.

• • •

The Government could get more action out of the people, a better response to war savings and other appeals, if the ministers were more candid in their pronouncements. The proof: no minister has been franker in admitting deficiencies, in welcoming criticism than Hon. J. L. Ralston, K.C. No minister commands more loyal public respect.

Well indeed may the New Glasgow News remind us that France, too, made the same mistake. There the people were fed on predigested news and left unable to take the shock of the German impact.

Let us take our war facts straight, recalling from time to time last Sunday's words of Winston Churchill:

"Next to cowardice and treachery, overconfidence leading to neglect or slothfulness is the worst of martial crimes."

War Order Depreciation Body Grants Most Tax Appeals

Since it started work last October, the War Contracts Depreciation Board has handled slightly more than 150 cases. Of these, The Financial Post is told, about 125 applicants were allowed special deductions from taxable income. The remainder were refused.

The Board was formed at the end of August but did not really get started to work until October. The intervening period was required both for the Board itself to set up its machinery and for intending applicants to prepare their data. The Board's work shows signs of reaching a peak following the end of the calendar year, as about 60 applicants were handled in January.

Basic Points

Certain principles have been evolved. It has been found necessary for example, to determine three main facts in connection with each application:

1. It must be clearly demonstrated that an actual contract, or subcontract, exists. A recent amendment to the Order-in-Council adds that a letter giving authority to go ahead with certain work from the Department of Munitions and Supply will suffice.
2. There must be evidence from a senior official of the company concerned that the capital expenditures for which special depreciation allowance is being asked have actually been made and are necessary to carry out the contract.
3. The post-war residual value of the machinery, building or other capital assets must be approximated.

The War Contracts Depreciation Board had its origin in the fact that acceptance of war contracts was soon found to require frequent capital expenditure for new, or specialized equipment. With no assurance as to how long the war would last, nor as to how many repeat orders could be obtained, manufacturers were naturally reluctant to invest their capital in such facilities when they had no idea how they were going to recover their money.

Then the "excess" profits tax came along and accentuated the dilemma, as it became virtually impossible for a company to retain sufficient earnings to write off such an investment over the probable useful life.

Procedure

In applying to the Board, a company first writes a letter outlining its desire for a hearing. This letter is acknowledged and a request sent for supporting data, including copies of the war contract held and an affidavit that the expenditures have actually been made and are required for the carrying out of the contract.

The Board prefers to have each case settled after a personal conference between the individual or company representative. Unless such a personal discussion is held, it requires a letter waiving the applicant's right to appear in person.

If the applicant is refused by the Board, he has the right to go to the Minister for another hearing. The Board's power is merely one of recommendation that a certain course be followed.

Sources of Requests

By a considerable margin companies engaged in making machine tools, gauges and basic steels have made up the majority of those applying for special depreciation allowances. It is in such industries that most of the capital expansion by private capital has taken place. Larger projects have usually been financed in some way by the Government itself.

In actually setting the rate of depreciation that is to be allowed the applicant's own estimate of the period over which he wants to have the allowance apply is usually accepted. For example, if the applicant feels that the war is going to last two years and wants to be allowed to write off equipment installed to handle the contract in that period, his estimate would probably be accepted.

If he wanted to do it in one year, it might not be. In the latter case much would depend on the actual type of machine and its use. If it were something installed to handle a very specialized job, and one that was unlikely to be repeated, then the one year write-off might be accepted.

Even then, however, it would be necessary to determine what value the equipment might have afterwards. The depreciation allowed by this Board is in addition to the regular rates permitted by the income tax department.

Position Studied

A study of the applicant's balance sheet and income statement is made to determine what size of a write-off can be handled. If, for example, a firm asked for and was allowed a write-off at the rate of $80,000 a year and then only reported taxable income of $65,000, it would forfeit a portion of the special allowance. These allowances cannot be carried over but must be absorbed within the stipulated period.

Experience has shown, however, that in at least as many cases where favorable action is taken, the Board advances the requested rate instead of retarding it. The Board has found that the great majority of applicants are reasonable and co-operative, thinking not only of their own company but also of the national interest.

Knotty Problems

One of the most frequent knotty problems to come before the Board is actually determining if a war contract exists. Many border line cases have developed. There might be the case of a meat packer who wants to expand because his business is growing. Export demand for bacon is up and he is selling to the Bacon Board. He seeks a special depreciation allowance on the ground that his is a war contract.

Such an application would probably be refused. So would one from a manufacturer of egg crates who needs added facilities to cope with Britain's need for imports from Canada.

Then there is the case of a restaurant owner in Ottawa near the new Munitions and Supply building. With the marked increase in staff in the department, he has to expand to care for it. He contends that it is entirely due to war business but the ruling probably would be that no war contract exists. Or perhaps it is a dairyman in Nova Scotia who is supplying milk to the army. He has to install more equipment which, he contends, is entirely to serve the army. But here again the ruling would likely be against him.

These examples illustrate a few of the kinds of applications that might be called border line cases. There is considerable argument in favor of the applicant's contention that it is war work which makes necessary his expansion. But the facts in such cases usually are found to indicate that it is really the quickened pace of industry—arising out of the war, it is true—but not involving a war contract.

In many cases it is loose or inaccurate wording in the original application that casts some doubt on the validity of the case. An applicant might, for example, state that he has had to install some special equipment to make a particular kind of clip which he is supplying to a firm ordinarily making umbrellas. On the surface there might not appear any excuse for granting his application but perhaps he neglected to state that the umbrella firm is now making parachutes.

Perhaps another applicant only stated that he was making hinges for a door manufacturer. But here again he neglected to add that these doors were going on hangars for the R. C. A. F.

The Board is building up complete files on each case handled. It works very closely with both the Department of Munitions and Supply, in whose building it is located, and the Department of National Revenue.

Fanny Farmer Profits At Record Levels

Fanny Farmer Candy Shops reports net profits for 1940 equivalent to $2.67 a share compared with $2.56 a share for 1939. Outstanding capital has been reduced by 9,810 shares to 365,051-1/3 shares of $1 par. The report shows sales of $8.5 millions for 1940, up from $7.5 millions in the previous year, marking the company's eighth consecutive record sales peak. Heavier costs absorbed the major part of the sales gain.

John D. Hayes, president, reports that the company now has 290 stores in operation compared with 258 at the end of 1939. This is reflected in the gain in capital assets which stand at $2.4 millions now against just under $2 millions a year ago. Reserve for depreciation is now over $1.4 million. Liquid position has been well maintained, with cash of $541,335 well above total current liabilities of $453,767. Total current assets amount to $1.7 million.

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Pressure Rising On Fedl. Aircraft

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immediately the latter returned from England. It is this report which had much to do with the clash of opinion between Mr. Howe and Mr. MacMillan, and recently aired in newspaper columns.

Similar views regarding the need for reorganization of Federal Aircraft have been put forward by officials of the Department of Defense for Air, The Financial Post is informed. It will be noted that one of the companies signing the recommendation for dissolution of Federal Aircraft is Massey-Harris. This is the company of which J. S. Duncan, formerly Deputy Minister for Air, is president and general manager.

In face of this testimony and opinion, Mr. Howe has as yet taken no steps to change the existing Federal setup.

At a press conference, Jan. 31, Mr. Howe is reported to have said: "I can see nothing at the moment to indicate that we would get more planes by upsetting the Federal applecart."

Mr. Howe went further than this. He made a forecast of production which is considered by aircraft manufacturers to be little short of fantastic.

According to press reports of the interview, he said: "It will be another three months before we are in production if we continue as we are."

Parts Not Yet Ordered

Opinions expressed to The Financial Post this week would indicate that perhaps twice as long a time may elapse before Avro Ansons are produced; that is unless there is a radical change in the existing setup.

It is understood that at least one manufacturer of Anson components has listed some 400 to 500 individual parts that have not yet even been ordered.

Another manufacturer is said to have tabulated a list of several score vital parts and materials not as yet ordered. In total there are perhaps 50,000 to 100,000 units which are essential for this particular assembly job—not one of which has been ordered.

Under the present setup these orders must be placed by the central office of the Federal Company in Montreal. Manufacturers responsible for assembly jobs are therefore entirely dependent on the speed and efficiency of the Federal head office.

Firms Asked for Information

After his return from England, Mr. Howe communicated by letter with aircraft manufacturers who had signed the original memorandum. He promised that a thorough study of the situation would be made at once. One or two firms were upbraided for having been behind hand in their deliveries. All were requested to answer, as quickly as possible, three questions:

1. Will the taking of steps you recommend accelerate production of Ansons in Canada and if so to what extent?
2. On what facts do you base your opinions?
3. What guarantee can you and your group give as to a date when substantial deliveries of Anson planes will be made, provided your recommendations are adopted?

Once again the manufacturers are understood to have acted as a unit and to have submitted a joint reply to the Minister.

In effect, this reply has confirmed the original statement of Jan. 7. It repeats and confirms the original view that if Federal is dissolved, the project can be expedited. The manufacturers state the impossibility under existing conditions of telling just to what degree this acceleration would take place were their plan to be adopted.

The manufacturers have reiterated the basic theme of the complaint against Federal Aircraft.

That complaint is this:

There can be no guarantee of performance under present or proposed organization so long as no schedule can be obtained from the company as to when raw materials, parts, proprietary articles, castings, forgings and finished parts which are to be supplied by Federal Aircraft will be available.

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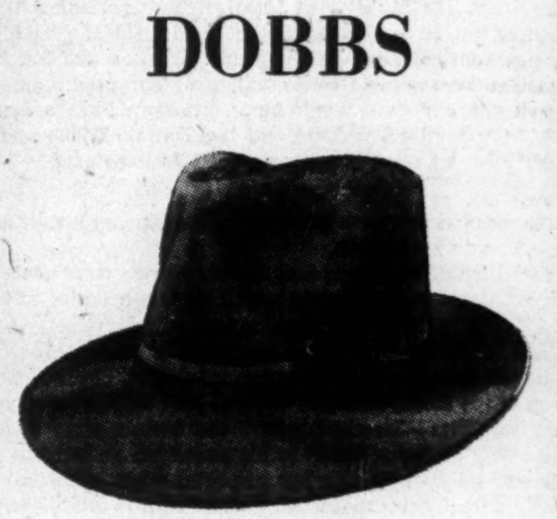

The "Cross Country" by DOBBS

Introducing a new tape-tone feature color for Spring.

You're going to like this new Dobbs! It's a really distinctive "Pecan" brown, with band in a rich two-tone effect. Many other Dobbs styles from which to choose—see the big line-up at Simpson's! The "Cross Country," illustrated, 9.50

Simpson's

THE STORE FOR MEN • STREET FLOOR

Auto Production Widened By Ban

(Continued from page 1)

Hudson and Studebaker or find some other solution for their problem. These include Packard, Nash, Willys and some of the larger higher priced models of the lines of the three companies with large manufacturing plants in this country. Definite decision has not been announced by Packard, Nash or Willys as to what they plan to do, but it is reported unlikely that the bigger lines of the major Canadian manufacturers will be made here after exhaustion of present stocks.

Under the recent ban on imports of U. S. cars to conserve exchange, there appears no loophole to permit continued sale of imported lines except at least partial production in Canada. To qualify fully as a Canadian-made car an auto must have at least 40% Canadian content. Ottawa has given no indication as to whether it might allow a limited import quota of cars from the U. S., or would permit parts and components to be brought in from the U. S. for assembly here, with units such as tires, batteries, etc., supplied from Canada.

Even if Canadian content were brought up to 40 or 50%, it would be necessary to get main body stampings, engines and other main components from U. S. plants.

Royal Trust Net Profit Equals $3.59 a Share

From Our Own Correspondent

MONTREAL.—Royal Trust Co. net profit was $359,086 in 1940, against $454,503 in 1939, equal to earnings on capital of $3.59 and $4.54 a share, respectively. R. P. Jellett, vice-president, told shareholders most departments suffered from the effects of war conditions on finance.

Rail Wage Bonus Is Seen As Test

(Continued from page 1)

whose average wage in 1939 was at a near-high mark in history and whose average wage in 1940 will almost certainly exceed the 1920 record, may be taken kindly by farm and other groups suffering from restricted income as a result of the war.

Between 1934 and 1938, railway wages moved steadily upward because of the superior bargaining power of the 130,000 men and women who comprise the railway wage rolls. Though living costs are still between 10 and 15% below 1926 levels, wage rates for railway employees during the past three years have been 9% above the 1926 average. In 1937, as a result of continued pressure on the part of railway union representatives, agreement was reached for the progressive removal of the entire 10% wage reduction which had been in force in Canada since 1935. The deduction was finally removed on April 1, 1938.

Farmers' View

The attitude of western farm groups toward railway wages a few years ago was expressed by C. W. Petersen, of Calgary, in evidence given before the Senate Railway Committee at Ottawa. At that time Mr. Peterson said:

"Railway labor, not alone by its uncompromising attitude on wages but by its notorious wasteful cost and job increasing shop conditions, has now brought practically all North American roads to the point of bankruptcy.

"Western agriculture considers that a searching judicial enquiry into the justification of the railway wage scales is long overdue. Unless an effective check is applied an increase in freight rates is inevitable."

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Hitler's Unpaid Allies —

U. S. Isolation-Pacifist Drive Gets Foothold in Universities

This is the fifth of a series of articles on the aid being given to Hitler, consciously and unconsciously, by the U. S. groups and individuals which favor isolation of the U. S. from the war, limitation or suspension of aid to Britain, and a negotiated peace deal to pave the way for "appeasement" of the Nazis. The author is former chief of the Central European bureau of the London Daily Express.

By SYDNEY MORRELL

NEW YORK. — Two secondary phases of the U. S. isolation-peace-deal movement appear to be linked to some extent. These aspects of the campaign are the effort of the appeaser group to obtain a foothold in universities, and activities of pacifists in the agitation to keep America away from the war and press for a negotiated peace.

One link is R. Douglas Stuart Jr., promoter and now national director of the America First Committee. It is interesting to note that he first made contact with Gen. Robert E. Wood, head of America First, through Dorothy Detzer of the Women's International League for Peace.

Last October, the 24-year-old Stuart, a Yale law graduate, with the aid of 20 classmates rallied about 3,000 students at a meeting to hear Lindbergh make a strong speech against American aid to Britain. Lindbergh urged Yale to start an America First "cell' which would be matched by other colleges in the U. S.

Possibly as a result of the Yale demonstration, there was formed at Harvard University in December, the Harvard Committee Against Military Intervention in Europe. This is an organization of Harvard students, notable among whom is Joseph P. Kennedy Jr. Son of the former U. S. Ambassador to Great Britain, who recently resigned under pressure because of his defeatist and peace-deal views, young Kennedy has advanced the thought that even if Germany wins, she will still have to trade with the U. S.

Pacifist Tactics

That the pacifist groups are aiming to keep America out of war—any war—is obvious. But some of them follow devious ways to serve their purpose.

Early in December, officials of the Bundles for Britain organization in New York City received a communication from a group calling itself "Friends of England in New York." It asked permission to hold a collection for Bundles for Britain at a forthcoming meeting.

These "Friends of England in New York" had leaflets printed announcing their meeting. Prominently displayed on the front page, was the announcement that "the entire collection would be turned over to Bundles for Britain Inc."

The meeting was held on Dec. 17 at the Caravan Hall, 110 East 59th St., New York City. It turned out to be a protest meeting of Indian Nationalists against the imprisonment of Jawaharlal Nehru. It was held under the auspices of the New History Society which has long been under suspicion as a pro-German organization.

The chairman was Dr. John Haynes Holmes, pastor of the Community Church of New York — the same John Haynes Holmes who is a member of Hoover's National Committee on Food for Five Small Democracies. Other speakers were Mirza Ahmad Sohrab, director of the New History Society, and the Rev. Eliot White, author and lecturer.

On the pamphlet announcing the meeting, the "Friends of England" quoted the following from Norman Thomas. "So long as Nehru and others are in jail, it is quite impossible to believe that the triumph of British imperialism . . . will solve the world's problems.

How to Avoid Draft

Every member of the audience was also handed a long pamphlet which gave Americans detailed advice on how to avoid the draft. They were asked to sign an "enrolment form" stating that "war is a crime against humanity." The enrolment forms were addressed to Mrs. Sergeant Cram of Peace House.

The same form advised Americans how to phrase their declarations in order to be regarded as a conscientious objector. It gave a list of denominational groups which would assist any applicant to avoid the draft. And it appealed to all readers to enlist also with the War Resisters League, of No. 2 Stone Street, New York City, providing free information to conscientious objectors.

The War Resisters League, which is allied with the Women's Peace Union, has assisted in anti-British propaganda even in Europe.

University Head Backs Isolation

Penetration of the isolation-pacifist drive into the universities was strikingly reflected recently by the nationally broadcast address of Robert M. Hutchins, president of the University of Chicago. This address, which at one point declared that the American people were about to "commit suicide" by drifting into war, both propped up the isolation-peace-deal movement in the universities and added momentum to the public agitation along the same lines.

It is notable that Mr. Hutchins so far is the only head of any major university who has taken such an aggressive stand, to such an immense audience, to urge the United States to back away from the war. It may also be noted that Chicago appears to be one of the chief centres of the isolation-appeaser movement in the United States, having contributed a number of the leading figures in the movement.

It is specially interesting that Gen. Robert E. Wood, chairman, and five other directors of the America-First Committee are from Chicago, and that two directors are officials of the University headed by Mr. Hutchins. E. L. Ryerson Jr. is a trustee of the University of Chicago, and Chester Bowles, partner in an advertising firm handling publicity for America-First as well as being a director, is vice-president of the University.

The city also harbors the Chicago Tribune, notoriously isolationist and anti-British in its policy.

U. S. Should Stay Out

Mr. Hutchins declared that President Roosevelt "now requires us to underwrite a British victory" and is "reconciled to active military intervention if . . . needed to defeat the Axis." On this Mr. Hutchins commented: "I hold that the United States can better serve suffering humanity everywhere by staying out (of this war)."

Later he asserted that "'our policy should be peace. Aid to Britain, China and Greece should be extended on the basis most likely to keep us at peace, and least likely to involve us in war." Other passages in his address said:

"If we go to war, we cast away our opportunity and cancel our gains . . . If we have strong defenses and understand and believe in what we are defending, we need fear nobody in the world . . . If we go to war, we shall not know what we are fighting for."

Thus did Mr. Hutchins epitomize the persistent theme of the isolation-appeaser movement that the U. S. should look after its own interests first and "pass by on the other side" in this war, leaving Britain to fight unaided against the dictators' bid for world domination.

The

Post-Bag

"Shall" and "Will"

Winston Churchill never falters over "shall' or "will" although his use of them is not always orthodox. His closing words on Sunday, last, may be quoted by future authorities on good English as an interesting example of the forceful use of these words:

> "Put your confidence in us. Give us your faith and your blessing, and under Providence all **will** be well. We **shall not** fail or falter; we **shall not** weaken or tire. Neither the sudden shock of battle nor the long drawn trials of vigilance and exertion **will** wear us down. Give us the tools and we **will** finish the job."

* * *

History as News

The sixth volume of the Oxford Periodical History of the war, written by Edgar McInnis of Department of History of University of Toronto, is published by Oxford University Press, Toronto. It covers the events from September to December, 1940, including the battle of Britain, the war in Greece and the successful British campaign in Libya.

Publication of this periodical history is one of the most interesting contributions Canada is making to the war. It sells for 25 cents.

* * *

Wartime Racket

Petty racketeers are passing up no bets in their efforts to exploit the war and people's patriotic impulses with dubious schemes. A recent racket of this type, which fortunately was stopped before it got very far, was equalled in boldness only by the worthless character of what it offered credulous persons.

A short time ago the Toronto Better Business Bureau began getting a flood of enquiries and complaints from the public, especially in western Ontario, about a campaign seeking to sell "Certificates of Service in the Second European War." The lithographed forms were offered for a price of $4.98, and had space for insertion of the name, rank, regimental number, etc., of the person for whom it was issued.

Investigation quickly revealed that the "certificates" were not signed by any Government official or other recognized authority. There seemed to be no check to prevent issue of such forms to persons not entitled to hold them. Result: The Department of National Defense cracked down and directed the distributor to cease making sales.

* * *

Toronto's Eskimos

Collier's had a story in the Feb. 15, issue which must have brought a smile to its Canadian readers. In "The Man at the Door," the author, Roark Bradford, puts these words in the mouth of his chief character:

> "Then I got my boss' heavy furs that he bought from that Eskimo trader up in Toronto."

* * *

This is Britain

An excellent series of pamphlets, published under the auspices of the British Council is "British Life and Thought."

The titles include "The British Commonwealth" by A. Berriedale Keith; "The British System of Government" by W. A. Robson; "The Englishman" by Earl Baldwin. Other pamphlets deal with British justice, ships and seamen, sports, aviation, etc.

In Canada, Longmans, Green and Co., Toronto, publish the pamphlets at 35 cents each. All are well illustrated.

The British Mortgage & Trust Corporation of Ontario

STRATFORD

Balance Sheet, December 31st, 1940

ASSETS

CAPITAL ACCOUNT:			
Office premises		$ 57,816.06	
Furniture and fixtures		7,244.68	$ 65,060.74
Real Estate for sale			516,891.63
Mortgages on real estate in possession or control of mortgagee: Principal			385,662.05
Mortgages and Agreements for Sale:			
Principal		$ 212,289.88	
Interest due and accrued		5,255.34	$ 217,545.22
BONDS AND DEBENTURES:			
Government bonds:			
Principal			$ 15,371.64
Canadian Municipal Bonds:			
Principal			31,950.97
Stocks owned at book value less reserve		561,213.19	
Dividends accrued		1,000.00	$ 562,213.19
Cash on hand and in Bank			128,032.29
Advances to Estates			6,236.06
TOTAL CAPITAL ASSETS			$ 1,928,963.79
GUARANTEED TRUST ACCOUNT:			
Mortgages:			
Principal	$3,562,571.34		
Interest due and accrued	97,314.35	$3,659,885.69	
BONDS AND DEBENTURES:			
Government Bonds:			
Principal	$ 757,587.21		
Interest accrued	6,235.00	$ 763,822.21	
Government Guaranteed Bonds:			
Principal	$ 118,044.90		
Interest accrued	1,449.00	$ 119,493.90	
Canadian Municipal Bonds:			
Principal	$ 146,054.78		
Interest accrued	2,210.00	$ 148,264.78	
Stocks owned at book value less reserve		$ 870,627.90	
Cash on hand and in bank		$ 81,259.81	
TOTAL GUARANTEED TRUST ASSETS			$ 5,643,354.29
ESTATES DEPARTMENT:			
Estates, Trusts and Agency Funds			$ 1,120,662.87
			$ 8,692,980.95

LIABILITIES

CAPITAL ACCOUNT:		
Capital Stock fully paid up		$ 1,000,000.00
General Reserve Fund		700,000.00
General Investment Reserve		125,000.00
Reserve for Taxes		22,734.98
Profit and loss credit balance		40,822.78
Dividends payable 2nd January, 1941		40,000.00
All other liabilities		406.03
Total Capital Liabilities		$ 1,928,963.79
GUARANTEED TRUST ACCOUNT:		
Guaranteed Investment Receipts:		
Principal	$3,306,604.37	
Interest due and accrued	34,596.77	
	$ 3,341,201.14	
Trust Deposits:		
Principal and Interest	$ 2,302,153.15	
TOTAL GUARANTEED TRUST LIABILITIES		$ 5,643,354.29
ESTATES DEPARTMENT:		
Estates, Trusts and Agency		$ 1,120,662.87
		$8,692,980.95

NELSON MONTEITH, President. W. H. GREGORY, Managing Director.

Stratford, Ontario, January 11th, 1941.

DIRECTOR

Herbert Horsfall, Toronto, who was elected to the board of the Toronto General Trusts Corp. at the recent 59th annual meeting. Mr. Horsfall is president and managing director of Canada Wire & Cable Co., vice-president of Lake St. John Power & Paper Co. and a director of Fleet Aircraft and St. Lawrence Corp.

Quebec Speaks

Four Months' Training

Le Canada (Montreal), commenting on the extension of military training to four mouths, declares that the 30-day period was not useless, even if it had done nothing else than impress many young men with their responsibility toward their country.

As to the new system, everyone will accept it without demur, Le Canada believes, because it is inspired by "the will to prepare Canada against any eventuality. Nowadays events happen quickly and do not allow us to foresee the future exactly. One, therefore, must undertake to accomplish one's duty and help a cause which we are all agreed to think just and worthy of our sacrifices." The editorial adds:

"War is never a divertissement. We did not seek it, but it was imposed on us. The world is now divided in two large groups opposing each other; neutrality would only be a myth or, worse yet, cowardice. We are well aware that we are not fighting for the satisfaction of imperialistic ambitions, but for the preservation of freedom, of all the liberties without which life would be quite worthless. That thought is behind our determination to win."

* * *

La Tribune (Sherbrooke) sees in the four months training a way for the Canadian army to complete its strength "more normally, more regularly, and, we believe, more effectively."

* * *

Le Devoir (Montreal), in referring to the four months period, ventures to say that the word "moderate" has long since ceased to apply to our war contribution. "Full speed ahead!" is now the slogan, says Le Devoir.

* * *

La Presse (Montreal)—"The alternative to victory is slavery. Unless we win, we would lose our fundamental liberties. This thought is sufficient to encourage us while we consent to the greater and greater sacrifices which the heads of the Canadian nation see fit to ask of us. By a generous co-operation in every domain, let us therefore contribute to hasten the end of this fight against dictatorship."

* * *

Le Soleil (Quebec)—"It seems more logical to limit the age of the recruits to 21. The four months period of training no doubt will make the teaching of military art more effective. Under the new system, a lesser number of recruits will be brought into the army, but their quality will be better. This fits in with present requirements, at least for this year.

"Recruits and their folks will find the separation harder to bear, although many are inclined to make too much out of it. If disturbances, emotional and otherwise, are to result, they will be nothing in comparison with those implied by the United States law which exacts from draftees 12 months military training. . . .

"The people of Canada are involved in a terrible war, the result of which is bound to have a great bearing on Canada's future and her liberty. But, then, what are the sacrifices which the Federal Government is asking of the Canadian people in comparison with those which the people in Europe, whether belligerent or not, must make?"

ST. LAWRENCE CORP. STOCK

From Our Own Correspondent

MONTREAL.—St. Lawrence Corp. has purchased and cancelled 4,170 Class A shares, leaving outstanding 293,837 shares.

Canada's Seaway Dilemma Embarrassing to Ottawa

From Our Own Correspondent

OTTAWA. — With final decision on the St. Lawrence seaway left to President Roosevelt, the Government at Ottawa is finding itself in a position of extreme embarrassment.

Unquestionably the Government would prefer to postpone the building of the seaway until after the war because:

1. The cost will impose an additional strain on an already heavily burdened Treasury.

2. The seaway is unpopular in Quebec and is giving the Duplessis nationalist group something to agitate about. It is doubtful if Premier Godbout can maintain his silence on this issue if political pressure continues.

Will Not Oppose

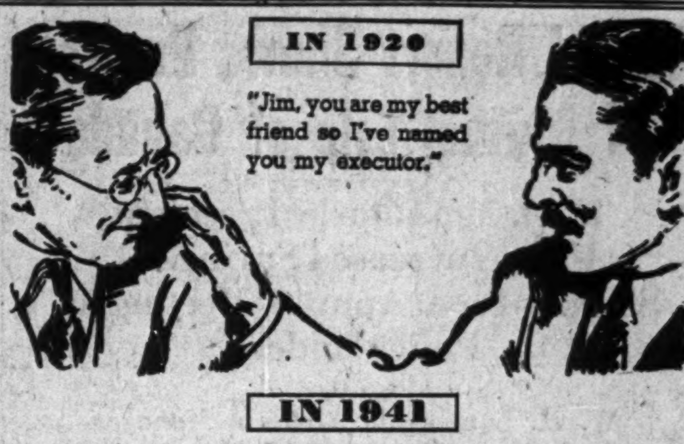
Despite all this, the King Government is understood to believe that no act of Canada's should be allowed to prejudice the good relations between the United States and the British Commonwealth. Therefore, if President Roosevelt insists upon launching the seaway as a defense measure, Canada will not oppose. But every effort will be made to whittle down our expenditures to the minimum.

Nevertheless, Dominion spending on a work which in Canada is not regarded as an urgent war measure cannot fail to weaken the position of the Dominion in urging economy upon the provincial governments. This, too, is realized at Ottawa.

Assuming that the seaway is begun this year, Ottawa is confident that our outlay can be held down to less than $2 millions in the first year of construction and perhaps twice that much in the second year. By that time the war will likely be over and everyone here strongly favors the seaway as a productive public work in the postwar period.

Directory of Truckers Issued by Association

The second annual edition of the Ontario "Ship-by-Truck" Directory has been issued by the Automotive Transport Association of Ontario, Toronto. First compiled a year ago, the Directory now lists more than 2,000 communities served by the 310 common carrier truck operators indexed in the publication. Detailed information is given about trucking services in Ontario and the functions of the Association, and set up in such a way as to be useful both to shippers and transport operators.


IN 1920
"Jim, you are my best friend so I've named you my executor."

IN 1941

The maker of the Will, grown old, died. His Will made careful provision for his family. But his friend Jim had grown old, too. His health was broken; he was unable to serve as Executor.

★

One advantage of naming the Crown Trust Company as one of your executors is that we are a continuing corporate organization, always ready and able to serve.

Crown Trust Company

Executors :: Trustees :: Financial Agents

MONTREAL TORONTO

DESIGNED TO SPEED CONSTRUCTION

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Speed the work of plant expansion with • J-M Built-Up Asbestos and Asphalt Roofs • J-M Roll Roofings • J-M Insulating Board • J-M Asphalt Tile Flooring • J-M Rock Wool Insulation • J-M Asbestos Wall Boards • J-M Acoustical Service and Materials for every requirement.

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Modern materials that protect against fire, weather and wear. J-M Cedargrain Asbestos Siding Shingles • J-M Asbestos and Asphalt Roofing Shingles • J-M Rock Wool Home Insulation • J-M Asbestos Flexboard and Wainscoting • J-M Decorative Insulating Board products.

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Canadian JOHNS-MANVILLE CO., Limited

Mine and Factory - Asbestos, P.Q.

TORONTO MONTREAL WINNIPEG VANCOUVER

The hardest-working trucks in Canada!
FORD TRUCKS AND COMMERCIAL CARS

They're tackling more jobs in Canada than any other make of trucks. Six years in a row and twenty-two of the last twenty-six years, Ford Trucks have outsold all other makes. Last year, Ford Truck sales were far in the lead in every province. Such leadership speaks for itself. Owners of single trucks and large fleets recognize, in Ford Trucks, value that can't be denied. Low first cost. Low operating and maintenance costs. Wide range of body and chassis types meet practically all haulage needs. Give the Ford a try-out on *your* job with *your* driver. No obligation. Telephone any Ford-Mercury Dealer.

• • •

FORD MOTOR COMPANY OF CANADA, LIMITED • BUILDERS OF FORD AND MERCURY CARS, FORD TRUCKS, COMMERCIAL CARS, STATION WAGONS AND TRANSIT BUSES

Annual Report Shows Progress of Mutual Life of Canada

R. O. McCulloch, President Urges Increased Savings at Seventy-First Annual Meeting of Policyholders

W. H. Somerville, *General Manager* Reviews Successful Year

A gain in the total amount of insurance in force, and an income in the assets of the Company, were features of the Annual Report of the Mutual Life Assurance Company of Canada, presented by W. H. Somerville, General Manager, to the Seventy-First Annual Meeting of Policyholders at Waterloo on February 6th.

Insurance Up $13,908,860

The volume of new insurance issued and revived was $49,188,728, excluding annuities, resulting in an increase of insurance in force of $13,908,860, to a total of $586,019,392. In addition, annuity contracts in force provided for future annual payments of $2,811,681.

Mr. Somerville outlined in detail the changes that occurred during 1940 in the more important items of the Profit and Loss Account and the Balance Sheet of the Company. He reported very satisfactory Surplus Earnings of $4,603,583, which enabled the General Investment Reserve and Free Surplus for Contingencies to be increased by $640,961 to $9,458,460 after returning and allotting to policyholders dividends amounting to $3,368,281.

Mortality claims arising as a direct result of the war have been comparatively small, amounting to 21 claims for a total of $27,807. Total death claims in 1940 were $4,047,187, which were $276,043 higher than the previous year.

Assets Increase by $8,968,829

Assets increased by $8,968,829 to a total of $196,605,418. The increase was mainly in holdings of Government bonds. Mr. Somerville presented tables giving a summary of Assets, Analysis of Bond Holdings and the Distribution of Government Bond Investments. Market value of bonds and stocks exceeded the book value by $6,133,694. An increase in City Mortgage Investments was accounted for by loans made under the National Housing Act, which now total 1,766 loans for $4,159,365.

The rate of interest earned on invested assets in 1940 was 4.61%.

Policy proceeds, dividends and other amounts left on deposit with the Company increased $2,058,839 to $23,806,510, indicating confidence in the Company's management, and an increasing appreciation of the value of life insurance measured by the income it will provide.

PRESIDENT'S ADDRESS

Mr. R. O. McCulloch, President of the Company, opened his annual address by welcoming to the Board of Directors Mr. W. B. Powell of Hamilton, elected to fill the vacancy created by the death of Mr. T. A. Russell. Mr. McCulloch also expressed his pleasure at the very satisfactory report of business operations for 1940. "Notwithstanding the difficult and critical times through which we have been passing, the Company has continued to grow and to maintain its exceptionally strong position," he said.

Calling on all Canadians to assume willingly and loyally their share of the burdens placed upon this country by the war, Mr. McCulloch declared: "The survival of democracy depends not only on the courage and effectiveness of the armed forces, but upon the attitude of all British citizens, and the willingness of Canadians to make sacrifices for the support of the navy, army and air force. As our war activities gain impetus, the task of meeting our financial requirements will become more and more exacting, and each Canadian citizen must bear his share of the burden."

Mutual Life a Trustee for Its Policyholders

The President pointed out that the institution of life insurance is not a creator but a conservator of wealth and may be likened to a reservoir in which the savings of the masses of citizens are gathered together for investment and conserved for distribution when required. By the earnest encouragement of thrift the life insurance companies have laid the foundation for the urgent appeal to Canadians to avoid luxuries and increase savings so that the prosecution of the war may be furthered to the fullest extent, and the inevitable problems of the readjustment period after the war may be met with the minimum dislocation in our economic structure. Mr. McCulloch emphasized that a life insurance company such as The Mutual Life is not a vast and wealthy corporation, but a trustee for the aggregate accumulation of the modest savings of a large number of Canadian citizens.

Fine Example

Canadian insurance companies in general, and The Mutual Life of Canada in particular, were making heavy contributions to the financing of Canada's war effort, he continued. Subscriptions to the First and Second Canadian War Loans by Canadian life insurance companies amounted to over $80,000,000. The President stated that The Mutual Life has invested more than $8,000,000 in these two War Loans, and continued: "Thus every policyholder of the Company can rest assured that through the payment of premiums he is making a real contribution to the country's war effort. It is encouraging that the Dominion has been able to float successfully two large war loans on a very economical interest basis. While the interest return is low, the security is good and it is manifestly in the interest of this country and of our policyholders as citizens that interest rates should, for the present, be maintained at moderate levels."

Special Contributions

Mr. McCulloch referred to the contribution that the General Manager, Mr. W. H. Somerville, is making as Joint National Chairman of the War Savings Committee, and to the assistance that is being rendered to the Committee by life underwriters throughout Canada in connection with the Payroll Savings Plan.

He emphasized again the importance of war savings and the necessity for every Canadian to share in it to the limit of his ability. However, he cautioned life insurance policyholders against cancelling their life insurance in order to increase their purchases of War Savings Certificates. "Life insurance policies should be maintained at all costs," he said. "Every Canadian should have sufficient protection for his dependents and provision for his old age, and knowing that premiums paid to life insurance companies are in large part, and will continue to be, invested in Government War Loans he should have no hesitation in maintaining and purchasing life insurance. The sale of life insurance does not conflict in any way with the purposes and objectives of the War Savings Campaign which aims mainly at diverting into savings channels the higher earnings resulting from increased business activity and from the huge Government expenditures."

Adequate Protection Essential

Referring to predictions of inflation, The President pointed out that fluctuations in the general level of commodity prices and in the purchasing value of the dollar have always occurred. "If the placing of an adequate amount of life insurance were postponed until one could be assured that the purchasing power of the dollar would be stable for a long period, many dependents would be deprived of essential protection, for there never has been such a period. Where doubt exists as to the ability of the dollar to buy as much in the future as it will today, a far sounder course would be to provide for this contingency by acquiring additional insurance."

Optimistic Outlook

Mr. McCulloch concluded his address by saying: "Whether or not the termination of the war will see a large influx of people into this country, which may well happen, the natural increase of our population and the development of our youth will afford plenty of room for expansion of our business in the Dominion of Canada. In the meantime, our main concern is to make our maximum contribution of aid to Great Britain and the rest of our Empire in the successful prosecution of the war. During this period of strain and stress, when the courage and capacity of individual Canadians are being tested, the stability and inherent strength of this great mutual institution, founded some seventy-one years ago in this country, will lend its services without stint or restraint to the furtherance of this country's cause."

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-39:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1940: Monthly Figures:												
Jan.	107.4	122.0	116.5	78.2	128.0	113.9	107.9	108.3	92.3	103.3	90.7	90.9
Feb.	103.8	116.5	116.0	79.4	134.4	114.8	106.8	105.5	90.8	103.0	89.9	90.2
Mar.	107.2	114.0	113.7	78.0	135.4	115.6	107.9	105.3	92.0	104.0	93.4	90.3
Apr.	105.9	122.4	113.0	74.1	135.7	115.0	108.9	105.2	93.2	102.4	93.4	88.4
May	82.0	81.1	91.5	62.6	119.3	102.7	94.0	83.2	78.3	97.4	78.2	73.3
June	74.5	65.2	74.1	50.3	104.2	89.7	85.2	74.3	70.8	91.3	71.0	65.5
July	73.5	69.2	79.1	50.8	110.4	90.8	91.0	73.5	70.9	85.5	70.4	66.1
Aug.	78.7	76.2	80.6	52.4	114.0	93.5	95.9	77.5	73.2	88.1	73.6	69.3
Sept.	85.5	82.1	95.5	60.7	121.4	101.6	99.5	87.0	77.2	82.9	78.0	75.8
Oct.	84.0	80.1	93.5	56.2	120.8	101.4	99.5	88.9	76.9	91.9	77.0	74.2
Nov.	86.0	82.6	81.4	54.5	121.5	100.7	105.8	91.2	76.2	92.7	78.2	74.5
Dec.	78.6	76.7	75.2	48.7	116.8	99.6	106.5	87.6	75.6	94.6	76.4	70.3
1941: Weekly Figures:												
Jan. 9	77.6	75.8	72.6	52.2	114.9	99.0	105.7	86.2	76.6	95.4	78.1	71.5
Jan. 16	78.9	76.2	72.6	53.0	113.0	96.7	104.9	86.0	76.5	95.0	78.5	72.6
Jan. 23	77.5	73.8	71.2	50.9	110.4	95.2	102.9	83.6	74.5	94.5	76.6	71.0
Jan. 30	76.0	71.5	72.1	50.7	108.8	94.7	101.4	81.4	73.2	93.6	75.2	70.0
Feb. 6	74.1	66.6	71.1	49.0	106.5	93.3	98.3	78.9	70.8	91.6	73.1	68.0
Mo. ago	77.6	75.8	72.6	52.2	114.9	99.0	105.7	86.2	76.6	95.4	78.1	71.5
Yr. ago	103.4	118.0	115.7	79.8	134.6	113.9	106.0	105.9	91.4	102.9	90.1	90.5

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Feb. 11	92.33	100.42	63.76	19.73
Feb. 10	93.21	101.16	64.61	20.18
Feb. 8	93.70	101.57	65.07	20.17
Feb. 7	93.95	101.86	65.09	20.13
Feb. 6	93.95	101.86	65.09	20.13
Feb. 5	93.74	102.03	64.92	20.07
Month ago	103.23	109.17	69.12	21.51
Year ago	123.57	118.28	84.27	30.99
High 1941	103.48	109.76	69.33	21.62
Low 1941	92.33	100.42	63.76	19.73

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Chd.	10 Ppra.	15 Golds
Feb. 11	50.1	58.6	55.8	66.66	77.43
Feb. 10	50.4	59.3	56.3	67.97	77.80
Feb. 8	50.5	59.1	56.2	67.73	77.40
Feb. 7	50.6	59.2	56.3	68.13	77.36
Feb. 6	51.2	59.1	56.5	67.93	77.59
Feb. 5	51.3	59.3	56.6	68.46	77.42
Month ago	54.2	66.4	62.3	80.96	79.87
Year ago	67.8	88.5	81.6	138.36	94.27
High 1941	54.3	66.4	62.3	82.25	79.99
Low 1941	50.1	58.6	55.8	66.66	77.08

Investment Trends

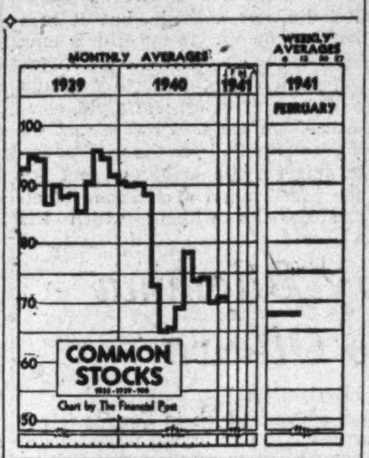
War Conditions Still Rule Market Action

Indications Point to Further Period of Waiting to Determine Direction of Next Major Move In Stock Prices

Although stocks have paused following the price declines of recent weeks, there is still no evidence of strength. Volume of sales has continued at low levels.

It would not be surprising if another month or so were to pass before a definite trend becomes noticeable. The war still holds the centre of the stage. There are rumors of German action on new fronts. Apparently these more than offset the British successes in Africa.

The whole builds up so much uncertainty that investors are unwilling to extend their commitments.



At the same time there continues to exist an important opinion that the events which are in the making will be received favorably by stock markets when they actually arrive. There has been so much publicity given to dangers of a German attempt to invade Britain, to the possibilities of an extension of the war to new fronts, that much of this must have been discounted. Barring a major disaster to the British cause, the actual events themselves, whatever they may be, might readily be the signal for a change in stock trend. In the meantime there is little incentive to take aggressive action on the part of the average investor.

* * *

Investment Policies

Investors in the United Kingdom are chiefly concerned now in how to place money so that it will be secure from the effects of important internal changes. This means such changes as shutting down, or placing under government control, of less important industries. Next in popular concern among thoughtful investors in Great Britain are the long-term considerations, going so far as to stress the post-war period. Stock markets in Britain appear unmoved by external developments, continuing quietly firm.

This problem of protecting holdings against changes in industry through government control of the wartime economy is one that is concerning many Canadian investors as well, judging from numerous letters received by The Financial Post. We have signs already apparent of where these changes may strike.

* * *

Concerns Two Fields

They are to be expected chiefly in two fields. The first is that where requirements for war equipment have brought actual shortages. The best example is the banning of manufacture, or import, of aluminum household utensils. Another is the household appliance field where special taxes have been imposed and imports from the U. S. generally banned. Then there is the field where raw materials must be imported, particularly from outside the Empire. The best current example is the silk industry which is making preparations to use substitutes when the expected ban on imports for raw silk for civilian use takes place, perhaps in the coming summer.

Unless industries making goods falling into these classes are able to turn to other—and more essential—output, there is a danger that the adjustment period may be painful and the attraction of such securities is lessened. No hard and fast rules can be set for handling this situation. In many cases production of the restricted goods is only a portion of the work of major companies. In such cases also it is usually true that demand for other goods made by them has risen to such an extent that there is no reason to fear lack of business.

It is true that Canada's average industrial activity is rising to record heights and that the peak has not yet been reached. But this does not mean that all types of industry are participating to the full, or that, if they have in the past, they are going to continue in the future. It is a time for careful discrimination on the part of investors who want to look a little farther ahead than the immediate future.

* * *

Burns' Rumors

A feature of both stock and bond markets recently has been the action of Burns & Co. securities. In otherwise lifeless markets, the action shown has probably attracted more than its normal share of attention.

Reports have been current for some time past that Burns & Co. was contemplating some kind of a deal with another large packing firm, with both Canadian and U. S. companies mentioned. Definite denial of these reports of either a merger or sale has been received from John Burns, president of the company.

What apparently is actually happening, in addition to admittedly improved prospects for 1941, is constructive steps to improve the company's policies. Another favorable feature is said to be elimination of a condition of cut-throat competition on the Pacific Coast which was costing all packers involved large losses.

Investment Notes

Aluminium Ltd.—Three large U.S. investment trusts sold altogether 505 shares of this company's stock in the three months ended Dec. 31 last. This group still held 4,830 shares at the year end.

* * *

McIntyre-Porcupine—Capital administration, large U.S. investment trust, added 800 shares to its holdings in the three months ended Dec. 31, bringing total investment in this stock to 1,000 shares.

* * *

Winnipeg Electric—Addition of 10 buses to the transit system of the Winnipeg Electric Co., is reported by the company. The new buses seat 31 passengers each and are somewhat larger than those already operating in the city. Cost of the 10 buses is reported at $75,000 in U.S. funds, resulting in a total outlay of $120,000 in Canadian funds after paying exchange premiums, federal taxes, special war taxes and making minor alterations.

* * *

Canada Packers—Included in the list of contracts awarded by the Department of Munitions and Supply for the week ended Jan. 24 were five to this company totalling $70,082. This brings the aggregate amount bought from Canada Packers since July, 1939, to $2.6 millions.

* * *

Dominion Woollens—Contracts for $309,366 were awarded to the company in the week ended Jan. 24, by the Department of Munitions and Supply. This brings aggregate amount bought from the company since July, 1939, to just over $4 millions, all except a few thousand dollars being for clothing.

Quinte Milk Products Earns Less in 1940

In a letter accompanying recent dividend cheques, paid at the rate of 10 cents per common share, A. L. A. Richardson, president of Quinte Milk Products, Ltd., states that 1940 earnings were below 1939. He added that when consideration was given to steadily increasing costs and taxes, earnings in 1940 were stated to be on a satisfactory basis.

Dividends of 20 cents per share were disbursed in 1940 as compared with 15 cents per share in 1938 and 1939.

Maritime Tel. and Tel. Plans Stock Issue

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. has made application to the Nova Scotia Board of Public Utilities for approval of an issue of 7,000 shares of its employees stock saving plan and of an issue of 7,000 shares for its employees pension plan.

Belding Sales Continue Gain

Volume Up 30% in First Two Months of Year to New Peak

From Our Own Correspondent

MONTREAL.—Business of Belding-Corticelli Ltd. in January was the best for any corresponding month in the company's history. Sales in the first two months of the current fiscal year increased 30% over the same period last year, according to W. P. MacDougall, president and managing director, at the annual meeting of the shareholders.

Mr. MacDougall stated that the Government restrictions on importations of raw silk will have no effect on the company's export business. Adequate supplies for this purpose have been assured. Raw silk supplies for the manufacture of domestic hosiery, however, will be cut by 25% of normal requirements on March 1, and by another 25% by June 1. After Feb. 28, hosiery manufactured entirely from silk will be prohibited. After that date, hosiery tops will probably be manufactured from cotton or artificial silk yarns.

Likewise silk ribbon will be replaced by ribbon manufactured from synthetic yarns in all probability, the president stated. This, however, will follow the trend of recent years.

Manufacture of silk thread is essential in some war commodities, as in aircraft construction, communication and radio equipment. This silk thread constituted a large proportion of the company's production last year. Mr. MacDougall declared that adequate supplies of silk thread manufacture would be considered essential by the Dominion Government. Nylon yarn has been found satisfactory for hosiery and tooth brushes, according to Mr. MacDougall. The cost, however, is considerably higher than in the case of raw silk. The company's machinery and equipment are adaptable to use of any synthetic yarn. A change-over, however, would bring production difficulties.

Increase in inventories in the fiscal year has been commensurate with increased volume of business and uncertainties of delivery, according to Mr. MacDougall. Business volume in the year ended Nov. 30, 1940, was up 15% over the previous year. Sales were at the best level since 1929. The three final months of the fiscal year were the best in the company's history in some departments, while other divisions showed the best sales volume in 10 or 12 years for that final period.

Paramount Net Doubles in '40

Company Earns $2.63 a Share on Common Compared With $1.08

Paramount Pictures Inc. estimates earnings for the 53 weeks ended Jan. 4, 1941, at $7.6 millions. This includes $974,000 as the company's share of undistributed earnings of partially owned and non-consolidated subsidiaries and $98,000 as profit on purchase of debentures.

For the year ended Dec. 30, 1939, earnings were $3.9 millions, which included $1.1 million of undistributed earnings of non-consolidated subsidiaries.

Net earnings represent $2.63 a share on the common stock, after payment of preferred dividends, compared with $1.08 a share for 1939.

Dividend Declared

A dividend of 20 cents a share has been declared on the common, together with a quarterly dividend of $1.50 on the first preferred and of 15 cents a share on the second preferred, all dividends being payable April 1, 1941.

During 1940, Paramount acquired 10,482 shares of its first preferred stock and 22,600 shares of its second preferred stock. These shares were acquired at a discount of about $203,500 which amount has been credited to a special capital surplus account. Capital outstanding at the year end included 134,189 shares of cumulative convertible 6% first preferred, 532,407 shares of cumulative $10 par second preferred and 2,465,927 common shares.

During 1940 the company acquired $925,000 principal amount of its 3¼% debentures at a discount of about $98,000.

Canada Bud President Doubts Higher Dividend

Sales of Canada Bud Breweries Ltd. in January this year were about 11% over the same month last year, shareholders were told at the recent annual meeting by Duncan McLaren, president. At the same time Mr. McLaren did not give shareholders any encouragement of higher dividends.

He pointed out that aggregate net profits of the company since it was organized had been $1.3 million, out of which it had distributed to shareholders $990,625, or $6.60 a share. At the same time taxes paid had totalled $5.6 millions, or $39.60 a share. Its total sales had been $19.3 millions, indicating a net profit of $6.7%.

Load At Peak For Shawinigan

Peak Load on System Up 29% in 1940, Reports James Wilson

From Our Own Correspondent

MONTREAL.—An increasing demand for power, largely the result of war conditions, led to more complete utilization of the flow of the St. Maurice River in 1940, according to James Wilson, president, in his annual report to shareholders of Shawinigan Water & Power Co., and boosted firm electric power peak load on the company's system last year was 937,453 h.p. This represents an increase of more than 29%.

The total peak load on the electric system was 1,118,914 h.p. in 1940, as against 1,168,492 h.p. the year before. The decline is attributed entirely to a reduction in secondary power deliveries; a part of the company's policy in making available larger quantities of hydro-electric energy for primary purposes.

Growth of System

The production and purchases of power by Shawinigan in 1940, with comparative returns for 1939 follow:

(Thousands of kilowatt hours)

	1940	1939
Output co. stations	4,058,992	4,549,209
Power purchased	746,767	706,572
Surplus power purch.	801,133	517,167
Total	5,606,892	5,772,948
Firm power output	4,345,537	3,574,895
Secondary output	1,261,355	2,198,053

More Power Under Contract

Contracts for definite periods were entered into with a number of new industries in the company's territory last year. These involved delivery of an additional 7,500 h.p. of primary power, for general industrial purposes. In addition, other contracts for the delivery of approximately 170,000 h.p. and extending for the duration of the war, were made with various corporations and other users.

Retail distribution of power was extended during the past year, with a resulting and substantial increase in number of customers. The number of communities served has increased from 457 to 469.

In discussing the power resources of the company, Mr. Wilson pointed out that the development at La Tuque was completed during the past year, bringing into operation an additional capacity of 178,000 h.p. This project is jointly owned by Shawinigan Water & Power Co. and Brown Corp., but the plant will be operated by Shawinigan as part of its general system.

In referring to operations of Shawinigan Chemicals Ltd., wholly-owned subsidiary of Shawinigan, Mr. Wilson pointed out that there had been an important increase in the demand for this company's products over the past year. Net revenue, after depreciation and other reserves, amounted to $852,077. After provision of $196 for Federal and Provincial Income Tax, an amount of $619,000 was set up in suspense account pending determination of the company's liability under the Excess Profits Tax Act. The balance of $37,077 was transferred to earned surplus account from which no dividends have been declared or paid.

Low Per-Capita Debt
Sound Administration

The Province of Quebec has the lowest funded debt per capita of any Province in Canada, excepting Prince Edward Island.

Administration of the Province today is the soundest in many years. The keynote of the present policy is economy and restriction of capital expenditure.

New Issue

Province of Quebec

Coupon	Maturity	Price*	Yield
3¾%	Feb. 1st, 1951	99.50	3.81%
4 %	Feb. 1st, 1956	100.00	4.00%

* and accrued interest.

Descriptive circular forwarded upon request.

36 King St. West
Toronto
Telephone EL. 4321

Wood, Gundy & Company
Limited

J. P. LANGLEY & CO.
C. P. ROBERTS, F. C. A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

FOR IMMEDIATE SALE

Progressive shoe manufacturing business. 1940 net sales $300,000.00. Good return on investment. Business capable of being greatly increased without additional capital. Purchaser's investment would be approximately $60,000.00. Terms if necessary. Reason for sale—owner subject to military call. Enquiries confidential.

Box 17, The Financial Post, Toronto

NEW ISSUE

$15,000,000

Province of Quebec

Sinking Fund Debentures

3¾% Debentures — dated February 1st, 1941 — due February 1st, 1951
(Callable on and after February 1st, 1950)

4% Debentures — dated February 1st, 1941 — due February 1st, 1956
(Callable on and after February 1st, 1954)

Principal and half-yearly interest (February 1st and August 1st) payable in lawful money of Canada in the Cities of Quebec, Montreal, Toronto, Winnipeg and Vancouver, at the holder's option. Coupon debentures registerable as to principal. Denominations: 3¾% Debentures—$1,000 and $500; 4% Debentures—$1,000, $500 and $100.

The 3¾% Debentures will be subject to redemption at the option of the Province as a whole but not in part at 100% of the principal amount and accrued interest on February 1st, 1950 or on any subsequent interest payment date on at least sixty days' notice. The 4% Debentures will be subject to redemption at the option of the Province as a whole but not in part at 100% of the principal amount and accrued interest on February 1st, 1954 or on any subsequent interest payment date on at least sixty days' notice.

Legal Opinion: Messrs. Meredith, Holden, Heward & Holden.

In the opinion of Counsel, these Debentures will be direct obligations of the Province of Quebec and will be a charge as to principal and interest upon the Consolidated Revenue Fund of the Province. The proceeds of this issue will be used to reimburse the Consolidated Revenue Fund for expenditures charged against such fund.

A Sinking Fund of an amount equal to at least 1% of the face value of the outstanding debentures of this issue will be provided annually.

Particulars of the Funded Debt and other financial statistics will be found in the official prospectus which is available upon request.

PRICES
1951 Maturity: 99.50 to yield 3.81% to maturity
1956 Maturity: 100.00 to yield 4.00% to maturity
(Plus accrued interest in each case)

SUBSCRIPTIONS WILL BE RECEIVED SUBJECT TO REJECTION OR ALLOTMENT IN WHOLE OR IN PART. THE SUBSCRIPTION BOOKS MAY BE CLOSED AS TO EITHER OR BOTH MATURITIES AT THE DISCRETION OF THE PROVINCIAL TREASURER AT ANY TIME WITHOUT NOTICE.

IT IS EXPECTED THAT DEBENTURES IN INTERIM FORM WILL BE READY FOR DELIVERY ON OR ABOUT FEBRUARY 24th, 1941.

WE OFFER THESE DEBENTURES ON BEHALF OF THE PROVINCE OF QUEBEC IF, AS AND WHEN ISSUED AND SUBJECT TO APPROVAL OF COUNSEL ABOVE MENTIONED.

Bank of Montreal
Banque Canadienne Nationale
The Canadian Bank of Commerce
L. G. Beaubien & Co. Limited
Royal Securities Corporation Limited
Collier, Norris & Henderson Limited
Nesbitt, Thomson & Co. Limited

The Royal Bank of Canada
La Banque Provinciale du Canada
The Bank of Nova Scotia
A. E. Ames & Co. Limited
The Dominion Securities Corporation Limited
Wood, Gundy & Co., Limited
W. C. Pitfield & Co. Limited

Mills, Spence & Co., Limited
McTaggart, Hannaford, Birks & Gordon Limited
Kerrigan, MacTier & Co., Limited
René-T. Leclerc, Incorporée
Sweezey Securities Limited
Harris, Ramsay & Company, Ltd.
Aldred & Co., Ltd.
J. C. Boulet, Limitée
Lagueux & DesRochers Limitée
La Corporation de Prêts de Québec
Paul Gonthier & Compagnie Limitée

McLeod, Young, Weir & Co., Limited
Savard, Hodgson & Co. Inc.
Cochran, Murray & Co., Limited
Harrison & Co. Limited
F. W. Kerr & Co.
Burns Bros. & Denton, Limited
Gairdner & Company Ltd.
J. C. Rogers & Company, Limited
Dubé Leblond & Cie, Inc.
Garneau, Boulanger, Limitée
Clement, Guimont, Inc.
Comptoir National de Placement Ltée
Société de Placements Incorporée

Bell, Gouinlock & Co., Limited
Mead & Co., Limited
Bartlett, Cayley & Co. Limited
Midland Securities Limited
R. A. Daly Co., Ltd.
Dyment, Anderson & Co.
Matthews & Co.
Ross Bros. & Co., Ltd.
Hamel, Fugere & Cie, Limitée
J. E. Laflamme, Limitée
Canadian Alliance Corporation Ltd.
Crédit Anglo-Français Limitée

The statements contained herein are based upon information obtained from official sources but are in no event to be construed as representations by us.

February 7th, 1941.

Bond Markets

Wood's Slur on Canada Appears Discounted

Weight of Evidence Indicates Canadian Bonds Have Growing Attraction For American Buyers — Gen. Wood Inconsistent in His Views

Comment on Canadian bonds by Gen. Robert E. Wood, before the U. S. Senate Committee investigating the lease-lend bill at Washington is not apt to be taken seriously by Canadians. Or, for that matter, by thousands of U. S. investors who have thought enough of these bonds to buy millions of dollars of them.

It probably may be rated on a par with General Wood's statement to the same committee that "it would look as though our British friends were holding out on us," in giving his estimates of the realizable value of British investments in the United States.

This latter statement brought a quick reply from Herbert E. Gaston, Acting Secretary of the Treasury, who wrote the committee the day following Gen. Wood's appearance that the latter was "completely incorrect." The U. S. Treasury had made a careful check and found no omissions such as Gen. Wood suggested.

Coming back to Gen. Wood's reference to Canadian bonds, however, he predicted that two more years of war would find Canadian bonds greatly depreciated. Gen. Wood, who is chairman of the "America First Committee" and head of the huge merchandising organization of Sears, Roebuck & Co., admitted that Canada was a country of huge natural resources but with a "national debt out of all proportion to its population."

Right here it is interesting to note that the United States Congress is debating a bill which would raise the statutory debt limit to $65,000 millions. At present the statutory limit on U. S. Federal debt is $49,000 millions and actual debt about $46,000 millions. The proposed increase is necessary because the former statutory limit threatens to restrict borrowing for that country's defense.

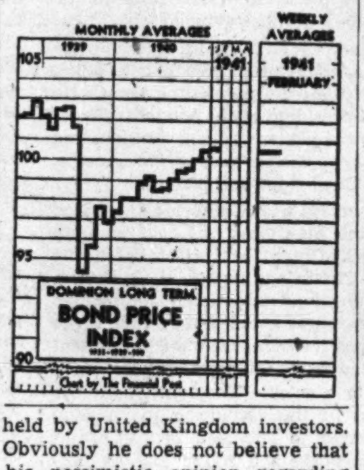
* * *

Some Inconsistency

Gen. Wood admitted that an insurance company of which he was a director did not share his pessimistic views on the future of Canadian bonds as its policy was not to sell holdings in spite of his recommendation to that effect. He was asked why Canadian holdings in the United States should not be sold or hypothecated to finance British war expenditure. To this his reply was:

> "I don't think the Canadians will sell their holdings. The British Government hasn't the power to make Canadian nationals turn in their private holdings. British nationals' holdings of Canadian securities should be turned in because they can be sold in this country."

Even to a casual observer his statements do not appear consistent. On the one hand Gen. Wood is telling the Senate Committee that Canadian bonds will "depreciate greatly" and on the other hand he suggests that Americans would be willing to buy Canadian securities held by United Kingdom investors. Obviously he does not believe that his pessimistic opinion regarding the future of Canadian bonds is held by many United States investors.



* * *

Market Barriers

Those U. S. investors who have carried Canadian bonds through from the outbreak of war—or rather from Sept. 16, 1939—have seen them depreciate in market value. When the Foreign Exchange Control Board regulations set up a barricade preventing free arbitrage between Canadian and U. S. security markets, it made that inevitable. But it would appear a comparatively simple task for this discount to be ironed out if it were thought worth while by the Canadian authorities. This depreciation has been in U. S. dollars only, however, as a glance at the chart of Canadian bond prices on this page will show.

* * *

Another View

A good way to answer Gen. Wood's aspersions on Canadian bonds is to quote Moody's Bond Survey, a well-known New York statistical publication. It said of Canadian bonds on Jan. 20 this year:

> "Increasing involvement of the United States in the world struggle should heighten the growing common interests between this country and Canada. This in turn means increasing financial interests common to both countries. If in the end this process does not culminate in a merging of financial policies, it will bring something close to that.
>
> "In any case the ability of Canada to provide United States dollars for the payment of its dollar obligations will increase with each step in the process by which America lends aid. Therefore Canadian dollar obligations appear to be growing more fundamentally attractive from the investment angle, even though they will still fluctuate in the market."

It is admitted by Moody's that price fluctuations in Canadian bonds in New York since the war started have been wide, but, they conclude, "payment at maturity looks very sure."

In another place they state:

> "Basically the position of U. S. dollar loans originating in the Dominion has been improved by the prospect of more intimate cooperation with this country as indicated in the President's recent message. In the light of his proclamation the much-discussed transfer problem would seem to have lost much of its weight as a market factor—at least for the duration of the war."

* * *

Life Companies' Role

The extent to which financing the Canadian war effort has become a function of the life assurance institutions is revealed in the address of R. O. McCulloch, president of the Mutual Life Assurance Co. of Canada, at the annual meeting of the company.

Mr. McCulloch brought out the fact that life institutions purchased $80 millions of Canada's first two war loans. The share of the Mutual Life was $8 millions, against a total increase in bond holdings during 1940 of $8.7 millions. As a result of the emphasis on war finance, holdings of Canadian Government securities constituted 66.7% of the company's bond list at the end of 1940 against 62.6% at the end of the previous year.

Despite an increase in total bond holdings, decreases were shown in every category except Canadian governments and public utilities. The latter recorded a gain of some $750,000, but its relative importance in the portfolio dropped from 10.2% to 8.7%.

The changes in these holdings tend to support the view that bond markets are tending to operate primarily as a source of government financing. Indications of government monopolization of bond offerings appeared in the record of financing in 1940. The Mutual Life portfolio appears to indicate that lenders are acquiescing in the view that, while the war lasts, the Government shall have first call on the savings of Canadians.

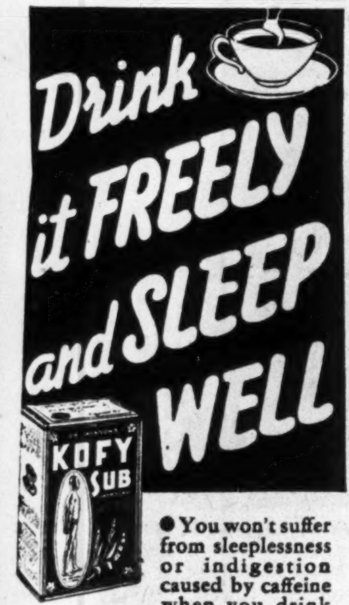
* * *

Bond Index

The D. B. S. index of long-term bond prices based on the years 1935 to 1939 advanced last week to 100.8 from 100.7 the week before. Average for the week ended Feb. 6, 1941, was 2.6 points above the corresponding week in 1940.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Jan. 31-Feb. 6	Preceding week Jan. 24-30	Weekly average year ago
Price	100.8	100.7	98.2
Yield	96.2	96.5	101.4


Drink it FREELY and SLEEP WELL
KOFY SUB

● You won't suffer from sleeplessness or indigestion caused by caffeine when you drink Dr. Jackson's Kofy Sub. This delicious alkaline beverage contains no coffee or caffeine yet has a rich satisfying coffee flavour. It's produced from cereal grains and soya beans—a source of energy as well as enjoyment. Make it in the same easy way as coffee and drink it freely. It can do you nothing but good.

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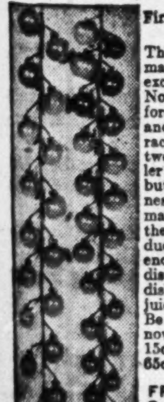
A Dr. Jackson Product

SUGAR TOMATO
12% to 14% Sugar Content



First of all Tomatoes to produce ripe Fruit

Think of it, a sweet tomato with many fruits exceeding 12% Sugar. Nothing like it ever before. Note the beauty and symmetry of the long racemes of fruit, often two feet in length. Smaller than regular tomatoes, but their superb sweetness and appearance make the Sugar Tomato the finest vegetable introduction in years. Bears enormously and is in a distinct class for dainty dishes, salads, sauces, juice, etc. Irresistible. Be first to have it. Order now. Pkt. of 100 seeds 15c; 2 pkts. 25c; ¼ oz. 65c (postpaid).

FREE — Our Big 1941 Seed and Nursery Book Better Than Ever
DOMINION SEED HOUSE
24 Elgin Street
GEORGETOWN, ONT.

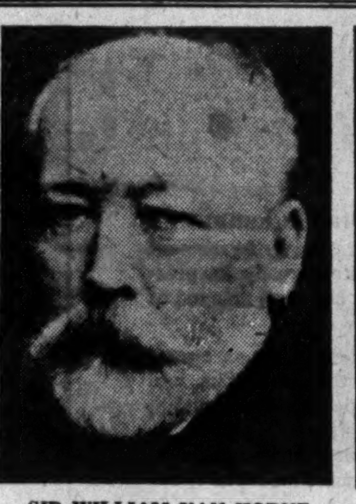
Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

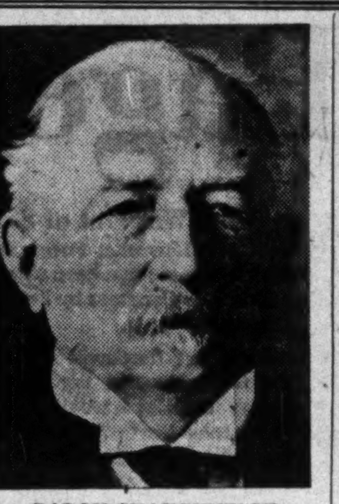
POSITION WANTED

YOUNG man, thirty years of age, married, wishes to contact management of company operating in eastern Canada with a view to employment. Presently engaged in business as statistician to the grain trade. Experience includes ten years as accountant, traffic manager and advertising executive. Well equipped to handle organizational, personnel or public relations work. Excellent references available and work well known and favorably regarded in Canada and the United States. Box 25, The Financial Post, Toronto, Ont.

LORD MOUNT STEPHEN



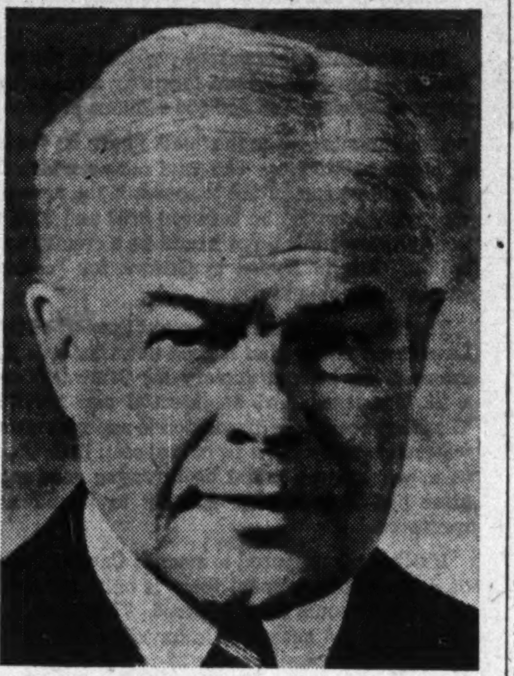
SIR WILLIAM VAN HORNE



BARON SHAUGHNESSY

C.P.R. MARKS JUBILEE

This week the Canadian Pacific Railway Co. and its worldwide system of associated enterprises are passing a new milestone in their history — the diamond jubilee of the incorporation of the company. The Government of Sir John A. Macdonald granted the company's charter by a special Act on Feb. 15, 1881. Two days later took place the official organization of the great undertaking that was to weld Canada together and clinch Confederation. Above are the men who have directed the destinies of Canadian Pacific from its inception to the present day. Left to right above are Baron Mount Stephen, first C. P. R. president, head of the syndicate which successfully shouldered the task of completing a trans-Canada railway; Sir William Van Horne, who completed the line in half the stipulated time and became second president; Baron Shaughnessy, third president, who directed the great expansion of the enterprise early in the century. Below is Sir Edward Beatty, current president and chairman of the board, who has consolidated and modernized the interests of the company to meet the changing conditions of the past 22 years.



SIR EDWARD BEATTY

Quebec Power Business Up

Greater Activity in Area Reflected in Power, Gas and Tram Operations

From Our Own Correspondent

MONTREAL.—Operations of the Quebec Power Co. in 1940 show a general improvement over those recorded in 1939, according to the annual report of James Wilson, president of the company. Business and industrial activities were on a higher level than in the previous year and the primary power load on the company's system increased by 10.6 per cent.

The number of customers served showed an increase for the year of 3.29% and now number 54,861.

Expenditures for construction on capital account were $436,062. Part of this outlay was for improvement to the St. Raphael Power Plant and the establishment of direct connection between the company's north shore system and the high voltage transmission system of Shawinigan Water & Power Co. Extensions were also made to supply the new airport, the arsenal and a number of parishes on both the north and south shores.

Sell More Gas

In respect to the gas division Mr. Wilson reports total sales of gas were 326,080,100 cubic feet, an increase of 14.3% over 1939. The number of gas customers at the end of 1940 was 10,558.

In the Transportation Division the number of passengers carried on the city system was 18,642,008, an increase of 9.79% over the previous year.

Attention was drawn by Mr. Wilson to the changeover from tram cars to motor buses. Tram car mileage last year was 1,894,118, as against 2,483,855 in 1939. On the other hand, miles operated by buses increased to 1,444,111, as against 746,316 the year before.

Essex Creditors Asked to Settle

Under the terms of the recently approved reorganization plan for the town of Essex, Ont., debenture holders and other creditors of the municipality have been invited to submit tenders stating that flat price at which they will accept settlement of their claims. The plan calls for the application of the municipality's cash surplus to the reduction of debt, after which new debentures will be issued for the balance of debt outstanding.

Forms for submitting tenders may be obtained from the town's fiscal agent, the Trusts & Guarantee Co., with head office in Toronto. The fiscal agent urges that those intending to submit tenders do so at once, as tenders will be considered and dealt with as they are received.

Two-Stage Plan For Abitibi Seen

(Continued from page 1)

feeling that it would be better to remove the receivership at once and work out a division between equity interests later.

Careful reading of the evidence submitted to the commission indicates that major problems were seen in settling the Abitibi case. In the first place, it is evident that the whole taxation schedule has so changed since the plans now under consideration were formulated as to make reconsideration advisable. This situation was recognized by H. J. Symington, chairman of the bondholders' protective committee, in his evidence when he stated that his committee would likely give consideration to amendments to its plan which would probably take the form of issuing a greater portion of bonds. This problem also supports the suggestion that present bond principal might be left unchanged.

Need Goodwill

What measures can be taken to make any plan for reorganizing Abitibi effective are not very clear. Indication given to The Post are that it will require a considerable measure of goodwill—probably more than has been noted in the long history of the struggle over Abitibi. Powers of the province are confined to its control over the natural resources required by the company. By use of these powers pressure could be brought on the various interests but apparently only by restricting the company itself.

It is quite possible that the commission will have something to say about Canada's present legal machinery for handling reorganizations. In particular the way in which evidence was brought out to establish certain features of revised U.S. practice in this regard hints that such features as court authority to rule who is entitled to a share of the assets, or "appraisal out," to prevent the "nuisance" type of claim, will be suggested.

Bond Sales

City of Toronto

Sale of $750,000 in three-month treasury bills due May 1, 1941, is reported by Toronto, Ont. Purchaser of the bills was the Toronto Transportation Commission, at a reported cost basis to the city of 2%.

* * *

Township of Blezard, Ont.

Private sale of $7,000 in 20-year 6% installment debentures is reported by the township of Blezard. Purchaser was J. L. Graham & Co., Toronto.

* * *

Hydro-Electric Power Commission, Ont.

Private sale to Canadian chartered banks of $15 millions in 2½% installment debentures is reported by the Ontario Hydro-Electric Power Commission. Debentures are dated Feb. 15, 1941, and will mature in equal annual installments on Feb. 15, 1942 to 1949, inclusive. The issue refunds a like amount of 2½% debentures maturing Mar. 2, 1941.

* * *

Sudbury, Ont.

J. L. Graham & Co., Toronto, report the purchase of $40,000 in 3% installment debentures of the city of Sudbury. Debentures mature March 1, 1942 to 1951, inclusive, and were purchased at 97.00, a cost basis of 3.60%. Funds are to be used for local improvements.

Foreign Exchange

During the week Feb. 4 to Feb. 10 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Feb. 10

Australia ...	3.58	N. Zealand ..	3.61
India	.3372	S. Africa ...	4.47
Japan	.2608	Hong Kong .	.2677

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Silverwood, A ..	5%	1942-51	Mar. 25	103
Do., B	5%	1952	Mar. 25	101
Randolph Hotel .	6½%	1947	May 1	105
South. Kraft ..	†4½%	1946	Mar. 4	par

†Drawn by lot $705,000.

Bond Tenders

12 noon Feb. 12, Canada Treasury Bills—$40,000,000, dated Feb. 14, 1941, payable May 16, 1941.

Feb. 17, Parish of St. Colomb de Sillery, Que.—$25,000, 4½%, due 1942-61.

Zellers Sales Increase 27%

From Our Own Correspondent

MONTREAL.—Zellers Ltd., operators of variety chain stores, report sales for the fiscal year ended Jan. 31, 1941, at $7,806,104. This represents an increase of 27.1% over the preceding year of $6,140,852.

Sales for January at $446,442 showed an increase of 28.6% over the $347,172 reported for that month a year ago. December sales have shown an increase of 15.4%.

Quebec Prov. Offers Bonds

Two Maturities of Sinking Fund Debentures Aggregate $15 Millions

From Our Own Correspondent

MONTREAL.—The Province of Quebec is offering $15 millions of debentures through a large syndicate of investment bankers and banks, headed by the Bank of Montreal. Two issues are being offered:

3¾% debentures, dated Feb. 1, 1941, and maturing Feb. 1, 1951. Callable on and after Feb. 1, 1950. Price 99.50 plus accrued interest, to yield 3.81% to maturity.

4% debentures, dated Feb. 1, 1941, and maturing Feb. 1, 1956. Callable on and after Feb. 1, 1954. Price par plus accrued interest to yield 4% to maturity.

Subscriptions to both issues will not exceed $15 millions and books may be closed on either loan at the discretion of the provincial treasurer.

Quebec Finances Improve

The debentures are callable in whole but not in part at par plus accrued interest on 60 days notice.

Proceeds of the loan will be used to reimburse consolidated revenue fund for expenditures.

A sinking fund equal to at least 1% of face value of outstanding debentures will be provided annually on the issues.

Hon. J. Arthur Mathewson, K.C., provincial treasurer, reports marked betterment in the Province's finances in a prospectus statement.

Overall betterment of $28.5 millions is reported for the first six months of the current fiscal year which ends March 31.

Six Months ended Dec. 31:	(In $000's) 1940	1939
Ordinary expend.	32,133	36,709
Ordinary revenue	*41,386	24,554
Deficit or surplus	s9,253	d12,155
Capital expend.	14,555	21,658
Over-all deficit	5,302	33,813

*Includes $5,154,000 revenue received in 1939-40 and deferred to 1940-41.

Debt Shows Increase

After giving effect to the present financing net funded debt of the Province will total $364.2 millions, compared with $351.8 millions at June 30, 1940. Total funded and unfunded debt, less sinking funds, will amount to $420.6 millions, against $405.3 millions at June 30, 1940.

The province's previous loan was issued in November last year for $21.6 millions. There were $11.8 millions of 4%, 12-year sinking fund debentures and $9.8 millions of 2½-3¼ serial debentures, maturing 1941-45. The sinking fund debentures were offered to yield 4.05% to maturity. Equal investment in all serial maturities averaged a yield of 2.91%.

'Steamers' Gain Sharply in '40

Net Above Figure for '39 Depending on Tax Decision

From Our Own Correspondent

MONTREAL.—Earnings of Canada Steamship Lines Ltd. in 1940 will be better than those of 1939, when net profit totalled $277,189.

For the first half of the year it was officially reported that net earnings, before provision for income tax and "excess" profits tax, had shown a gain of more than $600,000 over the corresponding period of 1939. This gain has been increased for the full year, The Financial Post understands. This will mean that earnings for the whole of 1940, before "excess" profits tax and income tax, will be in the neighborhood of $1 million.

Profit available for shareholders depends upon treatment the company receives from Dominion taxation authorities on the "excess" profits tax. The company is understood to have made claim for inclusion in the "depressed" industries class, which, if accepted, would permit it to make calculations for tax payments on the basis of capital employed. On this basis the company would be able to report earnings well in excess of those for 1939.

Seek "Depressed" Classification

The company has for many years been operating at what is considered subnormal levels, and it is believed that its petition for treatment as a "depressed" industry will receive a favorable bearing.

Principal reason for the favorable level of earnings shown in 1940 was the heavy shipments of iron ore on the Great Lakes. Wheat movements were disappointing, but rates held.

Packet business averaged much the same as in 1939, while tourist business was down substantially from the preceding year.

The company is expecting the upward trend of activities to continue in the current year, and in the case of tourist passenger business to improve considerably.

Distillers Corp. Redeems Block of Preferred

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams Ltd. has advised the Montreal Stock Exchange that during January the company purchased for retirement and cancellation on account of sinking fund 500 shares of 5% cumulative preferred stock. This leaves 159,800 preferred shares outstanding as at Jan. 21.

A. J. BRANDT

American business executive, who has been appointed vice-president in charge of operations and production of Federal Foundries & Steel Company, Limited.

Save with Spun Rock Wool . . . and Buy War Savings Certificates.

SPUN ROCK WOOL HEAT COLD SOUND INSULATION

WARMER HOUSES AT LESS COST

● Fuel costs go down and comfort goes up when you insulate your home with Spun Rock Wool. Resilient, long fibred, fire-proof, vermin-proof, light, easily installed, insulating against sound, cold and heat. After being practically off the Canadian market for 1940, Spun Rock Wool is again available for Canadian Industry and the Construction Trade. We feel proud that in the meantime we have assisted greatly in the War of Britain, by command of the British Government. In bulk, batts, blankets and pipe covering.

Ask your architect—he knows.

SPUN ROCK WOOLS LIMITED
THOROLD, ONTARIO

Distributors for Eastern Canada—
F. S. Bridges Limited, 3 Marlborough Ave., Toronto 5

Agents, Montreal District—
Asbestos Limited, 1418 Notre Dame St. W., Montreal

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Toronto (Treasury Bills)	Jan.	Toronto Transportation Comm.	....	May 1, '41	$700,000	....	2.00%
Blezard Twp., Ont.	Jan.	J. L. Graham & Co.	6%	20-ins.	7,000	....	....
Sudbury, Ont.	Feb.	J. L. Graham & Co.	3%	1942-51	40,000	97.00	3.60%
Provincial—							
Hydro-Electric Power Commission (Guar. by Prov. of Ontario) ..	Feb.	Can. Chartered Banks	2½%	1942-49	15,000,000	....	....
Quebec	Feb.	Bank of Montreal and Syndicate	3¾% 4%	1951 1956	15,000,000	*99.50 *100.00	3.81% 4.00%

*Offering price.

FARGO TRUCKS IN BAKERY AND DAIRY DELIVERY SERVICE GIVE *Complete Satisfaction*

CO-OP
WORKE
No 15

"THOROUGHLY SATISFIED WITH FARGO'S EXCELLENT PERFORMANCE . . . ESPECIALLY LOW OPERATING COSTS . . ."

. . . "We have been thoroughly satisfied with the excellent performance and especially the low operating cost of these Fargo Trucks. These units are constantly stopping and starting during the day's work and our drivers are very much pleased with them. We shall have no hesitation in adding Fargos to our fleet as our business increases," says Mr. W. G. Teeple, General Manager of Workers' Co-operative of New Ontario, with head offices in Timmins, Ontario.

Fargo owners are Fargo's best salesmen—which accounts, in part, for the fact that shipments of Fargo Trucks from the factory for the months of October, November and December, 1940, were the largest for any quarter in Fargo history. Make your next truck a FARGO. See your nearest Chrysler-Plymouth-Fargo dealer right away!

FARGO TRUCKS COVER 98% OF ALL HAULING AND DELIVERY NEEDS!

FARGO TRUCKS are engineered and built by Chrysler for long life, reliability and satisfactory performance under all manner of delivery and hauling conditions. 94 Chassis and body models enable you to select a 1941 Fargo Model to suit your particular work!

CHECK FARGO'S LOW, LOCAL DELIVERED PRICE!

BUILT IN CANADA BY CHRYSLER

The Editorial Page . .

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus, for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree, this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Tourism is an Export

Canada is approaching another tourist season when our travel dollars may once more be the salvation of our international account, enabling us to pay our bills in the United States.

Americans will not visit Canada in sufficiently large numbers unless they are informed and sold on the very real attractions we have to offer them in scenery, health and rest. This is particularly true in wartime when there is carefully directed opposition to Canada's tourist appeal. The opposition comes to some degree from enemy agents within the United States but to a greater degree from competitive travel areas.

Tourist traffic is essentially a business. And it is an export business calling for the same resource, the same market analysis, the same organized salesmanship as the export of electric stoves, newsprint paper or rubber tires.

The Canadian Travel Bureau should be lodged in the department at Ottawa that is charged with the successful prosecution of Canada's export trade. That department is Trade and Commerce.

At the present time the Travel Bureau is in the Department of Transport. The Department of Transport has not even a full-time minister. Its deputy minister, one of the best men in the civil service, is a skilled technician in certain branches of engineering science. He no doubt feels uncomfortable with his new responsibilities of handling tourist traffic along with such other entirely different enterprises as the meteorological service, the canal service, the marine service, the grade crossing fund, the Board of Transport Commissioners, etc. If his department could carry larger responsibilities—and it could—there should be returned to it such important matters as airways, radio and civil aviation, now being looked after by the minister who is supposed to be working 24 hours a day on war supply.

The Department of Trade and Commerce, on the other hand, is ideally equipped for dealing with important business developments such as tourist travel. Moreover, because of the occupation of so much of Europe by Hitler's legions, the Department of Trade and Commerce has at the moment a surplus of able men, including experienced trade commissioners who have an intimate knowledge of the manner in which European nations have in the past successfully built their travel business.

The Canadian Travel Bureau, whose duty it is to promote tourist business into Canada, should be moved from the Department of Transport, where it is an orphan, to the Department of Trade and Commerce, where it would be a favored child.

An Empire Builder

Sixty years ago this month the Dominion Government granted a charter to the Canadian Pacific Railway. Three score years is less than a lifetime. In space it is but a passing moment. But a corporation is taking on the dignity of age before the end of 60 years.

The single track line from Montreal to the Coast has developed into 17,000 miles of system, one of the finest in the world. In ordinary times the company operates ocean steamships in passenger and freight service; 14 on the Atlantic and four on the Pacific; 23 coastal steamships and five vessels on the Great Lakes and 9 more on the lakes of British Columbia. It owns 14 hotels and a chain of bungalow camps; operates 370,000 circuit miles of telegraph line with world-wide connections and nearly 100,000 pieces of railway equipment. In addition the company provides a host of services designed to encourage further development of Canada and her resources. It maintains, in peacetime, branch offices in practically every important city of the world and, in effect, is Canada's best known ambassador.

Not equipment alone has made the Canadian Pacific great. The company has been a great force in the development of Canada.

In 1886 the company carried two million tons of freight; in 1940, it carried 37 million tons. In the same period the acreage of Canada's farms increased from 45 to 163 millions; the value of field crops from $155 millions to $651 millions; the value of dairy products from $23 millions to $218 millions; the value of manufactures from $309 millions to $3,300 millions.

The Canadian Pacific was the trail-breaker and the greatest single factor in the economic broadening of the Dominion. The company can truthfully say it helped to build an empire.

Ottawa: You Show the Way

If Ottawa wants the people of Canada to save for victory, a much more forceful example must be set by the Government itself.

Mr. King warns us that we are facing "a tremendous effort to destroy the British Commonwealth by a series of smashing blows of unprecedented severity."

How can a challenge of that character be met by the old, easy-going ways of peacetime life? It demands a reorganization of our national life on a far-reaching scale. It demands a re-examination of the value of all activities.

Let Mr. King himself define the effort that is needed:

> "There is only one way to meet total war, and that is by total effort—effort not for a day, or a week, or a month, but every day until victory is won.
>
> "Total effort means that every man, woman and child does and keeps on doing everything possible to help."

In their daily lives, civilians are being forced by the harsh necessity of controls and taxes to reconstruct and alter their habits. The average man is having to go over every item of his regular expenditures and to weigh each one in the light of war's ruthless demands upon him.

What does the Government itself do? Has Ottawa gone further than cheese-paring in connection with public expenditures? Has Mr. King asked himself if this country needs or can afford such luxuries as, say, the Rideau Canal, the Trent Valley Canal, two express systems, two telegraph companies, the Hudson's Bay Railway, the Churchill elevator and a hundred other services and activities to which the people have become accustomed?

Has any important governmental activity at all been abolished in order to spare the labor and the dollars for the war effort?

Canadians are responding generously to the Government's appeals for higher taxes and for the purchase of war savings certificates and war loans. The people will continue to respond even if the Government continues to waste money on non-essentials. But the lack of sacrifice on the political front is a poor way to encourage sacrifice on the civilian front. It is an inadequate recognition of the people's own thrift and generosity.

Yes, we must save if we are to win. But let Ottawa lead the way. Let Ottawa be at least as drastic in the reorganization of political and bureaucratic living as it is in the reorganization of the life of the common man.

One Way Out of Seaway Dilemma

The St. Lawrence Power and Seaway Agreement which was to have been signed and ready for presentation to Congress by Feb. 1, has been delayed at Ottawa.

President Roosevelt is still eager for an agreement. He argues that both the navigation and power facilities it would provide may be needed to strengthen North American defense. He puts this legislation definitely on the "must" list alongside his lease-loan plan and other measures intended to aid democracy and defeat Hitler.

Ottawa is reported as the stumbling block to an immediate agreement.

The Government apparently wishes to please Mr. Roosevelt but finds it hard to justify a commitment to spend between $40 and $50 millions at this time.

This commitment is the "net" figure on the basis of present estimates. The total outlay which Canada would be committed to spend, if the agreement was ratified, would be between $100 and $125 millions. Against this there would be a credit payable by the Ontario Hydro to Ottawa for "common" works chargeable to power.

That Canada is pausing to count the cost of the St. Lawrence seaway plan is good news indeed. Heretofore it has been customary for Ottawa to accept a St. Lawrence deal as essential and inevitable. There has been little disposition to appraise national waterway policy in terms of real cost; little thought as to whether we might be throwing good money after bad in a further subsidy to inland water transport.

If Ottawa is prepared to commit Canada to a new St. Lawrence agreement there is only one basis on which this should be considered. That basis is that Canada should charge tolls for all vessels passing up and down the man-made 27-foot passage.

In recent years, proposed St. Lawrence treaties have made no mention of tolls. There has been nothing in these treaties to prevent imposition of tolls provided of course that all vessels were treated alike, irrespective of nationality.

Canada should make it very clear to President Roosevelt that this country can no longer afford to make huge capital commitments on waterway account without getting some return toward operating and investment costs. There would be nothing unfriendly about such a move. It would be a common-sense plan, one that is well justified by the economics of transportation and by Canada's present financial straits.

It is the only proper basis on which the Dominion should consider the pending St. Lawrence agreement.

Editorials in Brief

Toronto's civic-owned street railway has offered to pay taxes of $70,000 annually to the city. But it insists on a small guaranteed assessment for 20 years and also on a heavy expenditure by the city to construct a new traffic artery.

What the Toronto Transportation Commission has done by its offer is to call attention to the fact that it does not now pay taxes to the city. On a reasonable assessment, the T. T. C. would be paying over $400,000 annually to the city.

The T. T. C. gives good service and has built up very strong reserves. But why should it not? It charges the same fares as are charged in Montreal, where a private company contributes a large total of taxes to the city revenues. It has the free use of Toronto's streets and of all city services.

Taxes have become by far the biggest single item of cost in modern business. They are becoming one of the biggest items in the cost of everything that people buy.

Yet the number of tax-free enterprises is growing alarmingly. This means that the ever-increasing cost of government, war and relief is being thrown upon an ever-decreasing group in the community. The policy of tax exemptions for publicly-owned utilities, farm co-operatives, etc. — whether from municipal taxes or operation taxes — is one that calls for serious review.

Other People's Views . . . . .

The Canadian Editorial of the Week

Mediocre Men Should Go

The Toronto Globe and Mail

As the Dominion Government prepares to meet Parliament again there is a growing feeling throughout the country that the Prime Minister and the war effort are seriously hampered by the presence in the Cabinet of several mediocre men who ought to be replaced by leaders of dynamic energy, wide experience and good judgment who would command the respect and support of the nation.

Canadians do not care who the new Ministers are or where they may be found, provided they have dynamic energy, good judgment and the physical strength which war demands.

There is not a competent man in this whole Dominion who is not ready to put his services at the disposal of the nation.

If Mr. King seeks to organize an all-out effort, if he wishes to mobilize the nation for a worthy part in smashing the greatest military machine ever hurled against the British Empire, he will undertake without further delay to strengthen his Cabinet by the inclusion of the best men in Canada regardless of their political affiliations.

It is quite futile for businessmen to sacrifice their private interests unless the Prime Minister is prepared to sink politics and stop the feuds and squabbles which ominous rumblings indicate are rife on Parliament Hill. The war effort is partially paralyzed by internal conflicts which must be ended by a strong overriding hand and decisive action.

• • •

As Others See Us

Funny Business

New Glasgow News

The last issue of The Financial Post brings to light some information which brings no credit to the Government's Bureau of Information.

The Post printed a picture that was circulated to the press by the Government's Bureau which had illustrated one of the advanced training Avro Anson airplanes that so much fuss is being raised about because not enough are being made in Canada. With the illustration was the story that it was just about to be completed by Canadian workmen and that many more were on the way.

The inference was that it had been wholly or nearly so, made in Canada at one of our own factories. We, at least, so read it when the picture came to our hands. But it somehow smelled of propaganda and we put it in our wastepaper basket. We're glad we did.

For The Post's information last Saturday was that this picture was taken of a plane that had been shipped from Britain and merely assembled in Canada.

The Post's information also raises the question whether the Bureau of Information is not being used for government propaganda purposes; to soften criticism by the public against its failures. This charge has been made and the picture in question lends credence.

If that is so, it is a sorry state of affairs. It is akin to France where the Government fed its people pre-digested "news" and left them unable to take the shock of German impact. Canada will do better to use the British system: admit mistakes and call in the men who can fix them.

The Government is touchy about being called complacent—but it will get nowhere with the public by allowing one of its agencies to lull the citizens into complacency.

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Liquor and War

Winnipeg Free Press

In discussing the problem of wasteful expenditure in wartime, the advisability of leaving the sale of alcohol unrestricted receives increasing mention. The Financial Post raises one point that should not be forgotten in looking at the whole picture. This is what the Post says:

"The percentage of the retail price of a bottle of Scotch whisky that goes into the treasury to help the Government buy bombers and Spitfires is 88%.

"It is not likely that 88% of the money spent in Canada for whisky would be channelled back into the treasury in some other way, if people stopped drinking Scotch."

The Financial Post's argument is of course not the last word. Other factors can properly be taken into account. But nevertheless it is important not to forget the complexities of the problem, and the valuable source of Dominion revenue thus available should not be overlooked.

• • •

The Mail-box

"Havana" Tobacco

Editor, The Financial Post:

I will refer you to an article in The Financial Post of January 25, 1941, the heading of which is "Simon and Sons."

In the last paragraph of this item appears a sentence, "All but the lowest price cigars contain Havana tobacco." This is a rather positive statement and unfortunately it is not quite correct. The largest selling cigar in the lowest price class is "Trump," manufactured by Benson Hedges. The label on every box carries a condensed version of their guarantee as follows, "We guarantee that these cigars today at two (2) for five cents contain Havana filler of the same quality as used in higher priced cigars blended with fine imported tobaccos."

In the interests of accuracy and to offset any possible effect that your article of January 25 might have, I would suggest that you publish the correct information.

Charles S. Waldo,
Cockfield, Brown & Company Limited
Montreal.

• • •

Totalitarianism

The Editor, The Financial Post:

In your issue of the 18th you reprint an editorial from the Hamilton Review in connection with duplication of deliveries. One is led to wonder if you and the Hamilton Review are in favor of Socialism, as their principal argument is that the democratic system is one of waste.

That democracy is inefficient is a well-known fact, but I question if you are prepared to embrace Socialism.

Personally, I believe that there is no place in the democratic system for any legislation that prevents a person engaging in any legitimate line of endeavor. For instance, I am absolutely against the regulations enacted by the oil controller, whereby a person, if he so wishes, cannot engage in the distribution of gasoline. Let us not carry on a war for democracy abroad, and enact totalitarianism at home.

G. W. Nickerson.
Prince Rupert, B.C.

Editor's Note: The Financial Post believes that the surest way to protect the people's freedom is to win the war. It believes there must be a great concentration of authority in wartime, even in democracies. If totalitarianism in wartime will ensure democracy in peacetime, The Financial Post is for it.

• • •

What the Papers Are Saying

Easy, But Hardest

Trochu, Alberta, Tribune

Inflation is the easy way for politicians to finance our war effort, but it is the hardest in the end for the general public. Taxation and borrowing out of current public savings are the sanest and most equitable methods statesmen adopt in a national crisis.

• • •

The Rate of Interest

St. Catharines Standard

If the Canadian insurance companies received, on loans to the Government, less than one per cent, the tens of thousands of policyholders would not fare very well. Thousands of trust and endowment funds would also be hard hit.

• • •

Why Not War Gift Stamps?

Gananoque Reporter

There is a burning desire deep in the breast of every Canadian to help England and the Empire, and to strike a blow at Germany. It is like a tiny fire that leaps and wavers, but never dies. Our leaders in Ottawa have given us many ways by which that impulse can be satisfied, and we are taking them.

There is one way that has not yet been opened. It is a daily, instant way through which every man, woman and child can participate. There is a moment when the glow in our bosoms blazes up at sight of a newspaper headline—or the picture of a bombed home. The impulse to strike a blow can be carried out at once. Let there be War Gift Stamps, on sale at every post office and corner store. Let us GIVE something, if only the price of the powder behind the bullet—let us GIVE it at the moment when we feel we must. It will relieve that helpless feeling that overtakes us all when we put the daily paper down beside our peaceful hearths.

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Sayings of the Week

"I am proud of my German blood, but I hate aggression and tyranny."—*Wendell L. Willkie.*

• • •

"There is no more fascism in Italy, only a fascist corpse being held up by the Nazis."—*Leland Stowe.*

• • •

"If we must have double features on the same programme, let us have two Mickey Mice."—*Sir Gerald Campbell.*

• • •

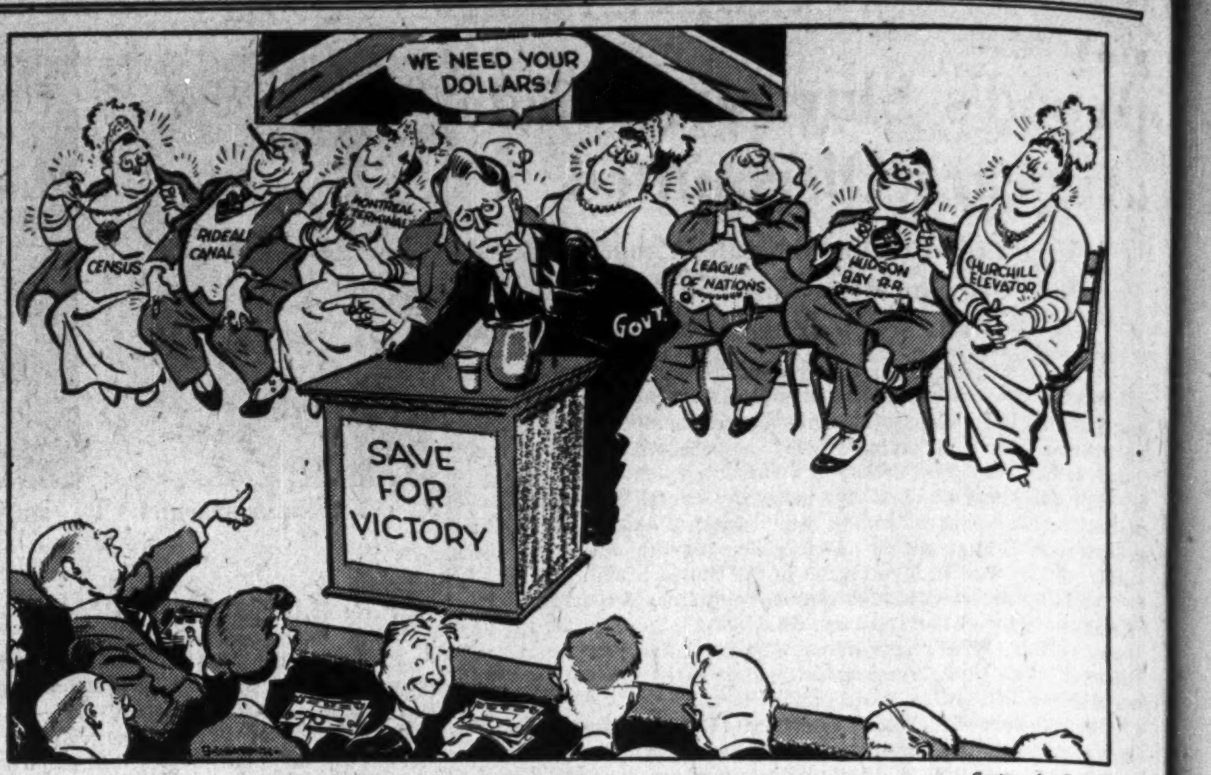
"The survival of democracy—for survive it will—means the continuance of those rights and desires which life insurance was created to satisfy." — *Melbourne F. Christie, president, Great-West Life Assurance Co.*

• • •

"We must all of us come to look upon our citizenship as a trusteeship, something that we exercise in the interest of the whole people." — *Mrs. Franklin D. Roosevelt.*

• • •

"Contrary to some challenges that have been made in the past, business not only does not embrace war as an opportunity for profit, but definitely is opposed to profiteering on the manufacture of war material."—*James S. Kemper.*



JOHN Q. CITIZEN: "SPEAKING OF SAVING, MR. ILSLEY ....."

—*Cartoon by Grassick.*

Post-Scripts . . . .

Tribute

Who will succeed Montagu Norman as governor of the Bank of England?

Gilbert E. Jackson, speaking before the Canadian Club of Toronto this week, offered one interesting sidelight on that question.

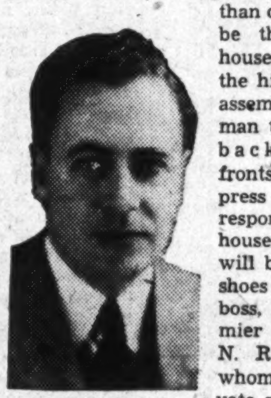
He was talking, he said, with a man whom he believes to know more about more central banks than any person in the world. He asked this man who was likely to succeed Mr. Norman.

The authority replied:

"I know nothing at all as to who will be Norman's successor. But I'll name you the one man in the British Empire who is qualified to succeed Norman—and that is your governor, Mr. Graham Towers."

• • •

Youngest Leader



L. W. FRASER

When Leonard W. Fraser leads the Conservative Opposition in the Nova Scotia Legislature which opens Feb. 28 his position will be unique in more ways than one. He will be the youngest house leader in the history of the assembly, the first man to play both backstage and frontstage roles of press gallery correspondent and house leader. He will be filling the shoes of his ex-boss, former premier Hon. Edgar N. Rhodes, to whom he was private secretary from 1925 to 1930, when Mr. Rhodes led Nova Scotia's Conservatives.

A native of Amherst, where he was born in 1902, Len Fraser has been practising law at Halifax in recent years. Last October he was chosen leader of the Nova Scotia Conservative party as successor to Hon. Gordon S. Harrington. Within two weeks of this appointment he was elected as member for Cumberland to fill the vacancy created by the retirement of Hon. Percy C. Black to run for federal office.

• • •

Mr. Fraser spent his boyhood at New Glasgow, where he attended grammar and high school. At Dalhousie University he gained his Arts degree in 1923, his Law degree in 1925. Before and after graduation he worked on the reportorial staff of The Halifax Herald. It was during this period that he spent a short time in the press gallery of the provincial legislature.

He gained excellent training as a public speaker while attending Dalhousie, being leader of the college debating team. He was also president of the Students Council for three years. Among the debating teams they encountered were Acadia, Oxford, Cambridge and McGill.

The meeting with Cambridge provided one of the highlights of Len's debating career. The night before the debate he and the Cambridge leader, R. A. Butler, who is now under-secretary for foreign affairs, met and decided they didn't like the respective sides of their argument which had to do with preferences. They agreed to a swap. The next night the audience in the Dalhousie gymnasium was puzzled to find Len leading Cambridge debaters and Butler leading Dalhousie. Cambridge won.

After the Cambridge affair there was a victory over McGill in which 90 per cent of a Montreal audience voted for the Fraser-led Dalhousians.

Upon graduation Len was articled with the present Mr. Justice Doull at New Glasgow. In 1927 he married Kathleen Blanchet of Rothesay, N.B. They have two children, Paul MacGregor and David Scott. He is a Presbyterian and of Pictou county Scot ancestry. Besides being vice-president of the Dalhousie alumni, he retains his ties with Dalhousie by being speaker at the university's annual mock parliament.

• • •

He became private secretary to Mr. Rhodes in October, 1925, and when the latter went to Ottawa in 1930, Len became director of publicity for Nova Scotia. He resigned that position in 1932, in which year he was secretary to the Sir Andrew Rae Duncan Commission investigating the coal mining situation in Nova Scotia. After that he confined his attention largely to his law practice at Halifax.

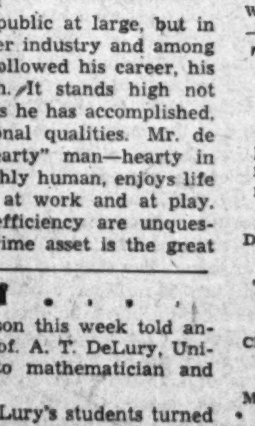
As Cumberland's representative in the House he represents a county whose noted sons include Sir Charles Tupper, Col. J. L. Ralston and Hon. Edgar N. Rhodes. The latter's picture hangs in a prominent spot in his office today. They are both Amherstonians.

At 38 Len Fraser brings to the Conservative party in Nova Scotia something it hasn't had in years—youthful leadership. Previously the Liberals held a corner on youth. Present Naval Minister Hon. Angus L. Macdonald was 43 when he became premier in 1933 and was the youngest leader in the House up to that time.

The new Conservative leader is genial and aggressive. He belongs to no clubs, is no stuffy politician. He writes his speeches beforehand then stuffs them into his pocket and forgets they're there. His college debating days should help him in repartee at the forthcoming session.

• • •

Air Deputy



—*Photo by Notman.*

S. L. de CARTERET

It seems to be a growing fashion that when anyone is wanted to do a particularly difficult wartime job, Ottawa looks to the pulp and paper industry to meet the needs. The latest appointment is Samuel Laurence de Carteret, vice-president of Canadian International Paper Co., who goes to Ottawa as Deputy Minister of Air. He succeeds James Duncan, who has returned to Toronto to assume the post of president of the Massey-Harris Co. Mr. de Carteret may not be well known to the Canadian public at large, but in the pulp and paper industry and among those who have followed his career, his name stands high. It stands high not only for the things he has accomplished, but for his personal qualities. Mr. de Carteret is a "hearty" man—hearty in that he is thoroughly human, enjoys life to the full—both at work and at play. His ability and efficiency are unquestioned, but his prime asset is the great spirit with which he enters into things, the way he can get everyone to work with him. That is a quality which is highly desirable in the new work he takes over and, no doubt, one reason for his selection for this highly important post.

As his name implies Mr. de Carteret is of French extraction. Descendant of a well-known Jersey Island family, he was born in New Zealand and after spending some time in India, came to this country in 1910.

He has been engaged as a forest engineer by the Riordon Paper Co.; woods manager for the Brown Corp.; Canadian manager of the Hammermill Paper Co.; consulting engineer and statistician for the committee of the newsprint industry and at the time of his appointment as general manager of Canadian International Paper Co., in 1939, he was general manager of Brompton Pulp and Paper Co., a post which he had held from 1935.

In his new job Mr. de Carteret should feel at home, for his opposite number in the naval department is Col. K. S. MacLachlan, who before the war headed Fraser Cos., one of the larger Maritime pulp and paper firms. He will find other pulp and paper men there. They have one thing in common; they know how to get results.

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Campaign Chairman

WALTER ZELLER

If the number of Canadian "War Savers" can be boosted from 400,000 to two millions in the month of February, much of the credit will go to imaginative Walter P. Zeller, who is national campaign chairman for the big drive.

Mr. Zeller got back to Ottawa this week after winging his way across western Canada, inspiring workers and organizers in Fort William, Regina, Vancouver, Calgary, Lethbridge and Winnipeg.

Mr. Zeller started out on a regular schedule, but didn't keep to it very long. For example, in Regina he was due to give one talk to a war savings group. Before the evening was out, he had given two more speeches, one a radio address and another a talk to meeting of the Western section of Commercial Travellers which happened to be in session there.

It has been Mr. Zeller's resourceful merchandising mind that has been responsible for many of the ideas and much of the energy and enthusiasm put into this current drive for war savings. He has supplemented and strengthened the administrative ground work undertaken by Walter Somerville and Mr. Beaubien, joint chairmen of the War Savings programme.

Wentworth Wit

W. B. Powell, president of Appleford Paper Products Limited, of Hamilton, has been made a director of Mutual Life Assurance Co. of Canada.

Mr. Powell is also a director of Cosmos Imperial Mills Limited and the Prudential Trust Company.

Around his hometown of Hamilton, Mr. Powell is rated as the best story teller in Wentworth County.

We quizzed him about this at the Mutual Life annual meeting last week.

His comeback: "I tell nothing but the obsolete truth."

• • •

"If property, profit, the reward of toil, the fundamental instinct of the human race to gain, to acquire, to have, to reach somewhere, is taken away, then I for one do not feel we have anything worth fighting for."—*Senator Meighen.*

Stop Me If . . . .

Gilbert E. Jackson this week told another story on Prof. A. T. DeLury, University of Toronto mathematician and wit.

One of Prof. DeLury's students turned in an examination paper with no answers but with this comment: "God only knows the answers to these questions. I wish you a Merry Christmas."

Prof. DeLury returned the paper with this note: "God gets 100 per cent. You get my wishes for a Happy New Year."

The Financial Post

Member Audit Bureau of Circulations

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Week in Business

Prosperity of Business Seen as War Aid

Suggestions as to When Private Demand is Competing With National Effort Should Come From Government, is Widespread View

How much of the earner's dollar should business seek to attract to itself in wartime? This is a problem that continues to worry many businessmen.

The question has been made more pointed recently by the War Savings drive. Merchants and manufacturers are anxious to help the campaign along. At the same time they want to do as much business as they can without diverting money away from the war effort.

They are also anxious that by selling certain classes of goods they are not helping to increase competition for materials and labor the Government needs for the war.

• • •

But just how are they to know when to stop selling a particular line? Some of them feel there is no advantage achieved in refusing to sell certain goods if their competitor continues to sell them. It is also felt that if manufacture and sale of any goods is discontinued before there is any real necessity to do so, the resulting unemployment and hardship would be hurtful to the war effort.

Accordingly in many quarters it is felt the Government should give leadership as to when merchants and manufacturers should act. Apart from this, the maintenance of industry in a strong operating condition is regarded as a real contribution to the cause of the war.

• • •

Retail trade is showing signs of improvement. The demand for spring goods seems to be beginning earlier than usual. This is reflected in a heavier demand for cash. Bank of Canada note circulation has already shown an increase in response to this movement which is coming about two to three weeks earlier than usual. Buying seems to be due to the desire of people for new clothing and conveniences rather than the fear of an advance in price. The general price level is about 15% higher than at the beginning of the war but an advance of that size is not disconcerting. Many people would rather absorb such a gradual increase as it comes along, than tie up a substantial part of their income in preparation for the advance.

• • •

Business continues keenly interested in the unemployment insurance plan now being worked out in detail at Ottawa. Official information is awaited as to the way in which contributions will be collected. Rumors persist that a change may be made in the way the contributions are levied, by making the charge a percentage of the weekly rate of pay instead of a set amount in dollars and cents., for certain wage groups. Industry is anxious for the simplest plan possible combined with sound operation of the scheme.

Business Indicators

Current business becoming more active. D.B.S. index slightly higher than in previous week and 3% above last year.

Railways — Carloadings and earnings on higher level than in 1940, increased activity due to war offsetting reduced grain traffic.

Wheat and flour exports in January off more than 50% each from year ago.

Livestock—Cattle sales up 7% in January over last year. Hog sales up 35%.

Sugar grindings in 1940 slightly above 1939 volume.

Employment index for all industries on Jan. 1 15½% above year before.

Trend of business shown by The Financial Post Business Index and following key factors new items for the week being marked thus •.

TREND OF BUSINESS—	**Feb. 1**	**Jan. 25**	**Jan. 18**	**Jan. 11**	**Feb. 3/40**
Weekly index of business, D.B.S.	108.3	107.7	107.7	107.8	105.1
Commodity prices index no.	84.8	84.8	84.6	84.3	82.3
	Dec.	**Nov.**	**Oct.**	**Sept.**	**Year Ago**
The Financial Post business index	°150.1	153.4	151.7	147.4	129.0
Retail sales index no.	102.4	95.9	93.7	90.8	87.9
Dept. stores sales index no.	101.1	98.1	92.3	89.2	89.0
•Wholesale sales index no.	116.4	122.9	133.7	124.2	98.2
•Country store (% change pr. yr.)	+3.8	+15.4	+3.6	—10.7	+4.0
EMPLOYMENT INDEX Nos., D.B.S.	**Jan. 1**	**Dec. 1**	**Nov. 1**	**Oct. 1**	**Year Ago**
•All industries	134.2	139.1	139.2	136.2	116.2
•Manufacturing	142.5	144.7	144.6	143.8	118.2
Wage earners, no, 000's	....	....	....	2,867	2,545
Living costs weekly budget	....	$18.22	$18.14	$17.87	$17.77
			Jan. 1 to date		**%**
RAILWAYS	**1940-41**	**1939-40**	**1940-41**	**1939-40**	**Change**
•Carloadings (week Feb. 1)	53,461	50,607	251,709	235,533	+6.8
•C.N.R. gross (week Feb. 7) $	4,905,022	4,360,293	25,831,689	21,971,028	+17.5
•C.P.R. gross (week Feb. 7) $	3,853,000	3,127,000	18,038,000	15,371,000	+17.4
C.N.R. net revenue (Dec.) $	6,273,550	3,773,613	45,007,412	20,854,419	+116.0
C.P.R. net revenue (Dec.) $	4,806,206	4,381,968	35,639,438	28,523,819	+24.9
IRON AND STEEL—Dec.—					
Pig iron production (tons)	110,477	94,169	1,168,894	755,731	+54.7
Steel ingots and castings prod. (tons)	185,420	150,105	2,011,172	1,384,870	+45.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Dec.)	8,775	7,804	101,767	90,054	+13.0
Factory output .. (Dec.)	11,653	11,491	110,126	108,806	+1.2
Trucks and Buses:					
Domestic sales* .. (Dec.)	2,145	2,040	29,150	24,693	+18.0
Factory output .. (Dec.)	11,711	5,487	112,858	46,510	+142.7
Financing:					
Used .... (Dec.) $	2,615,650	2,190,844	41,651,440	34,916,119	+19.3
New .... (Dec.) $	2,850,676	2,110,283	33,616,879	27,852,627	+20.7
CONSTRUCTION—					
•Contracts awarded .. (Jan.) $	26,579,800	8,844,700	....	....	+200.5
•Cement prod., bbls. (Oct.)	1,099,092	680,902	6,627,710	5,104,383	+29.8
AGRICULTURE—					
•Flour prod., bbls. .. (Dec.)	1,076,132	1,599,966	16,254,921	16,887,070	—3.7
•Flour exp., bbls. ... (Jan.)	354,818	725,316	......	......	—51.1
•Wheat exp., bush. ... (Jan.)	4,880,080	10,357,605	......	......	—52.9
•Cattle sales▴ ...... (Jan.)	83,707	83,634	......	......	+0.08
•Hog sales▴ .... (Jan.)	532,259	393,198	......	......	+35.4
SEA FISHERIES—$					
Catch cwts. .... (Dec.)	511,900	451,300	10,860,550	9,585,150	+13.3
Landed value ...... (Dec.)	1,006,900	757,300	17,850,700	16,641,350	+7.2
NEWSPRINT—					
Production, tons ... (Dec.)	252,897	240,656	3,418,803	2,869,266	+19.1
Exports, tons ...... (Nov.)	276,586	253,997	2,979,336	2,403,432	+23.9
MINING AND OILS—					
Coal prod., tons ... (Nov.)	1,822,563	1,740,879	15,787,856	14,206,872	+11.1
Coal imports, tons . (Nov.)	1,479,922	1,947,631	16,723,995	12,726,947	+31.3
Gold prod., fine oz. (Oct.)	467,441	433,086	4,402,782	4,234,846	+3.9
•Crude oil prod., bbl. (Oct.)	817,596	816,257	7,086,161	6,603,374	+7.3
Crude oil imp., bbl. (Nov.)	4,800,084	4,117,100	40,203,054	35,517,600	+13.2
ELECTRIC POWER OUTPUT—(December)—					
•Total monthly, 1,000 kw.h's	2,584,341‡	2,536,242	30,080,248	28,351,514	+6.1
FOREIGN TRADE—♦					
•Imports .... (Dec.)	102,289,873	72,109,338	1,081,936,116	751,055,534	+44.0
•Exports .... (Dec.)	98,710,660	101,972,728	1,193,217,592	935,921,713	+27.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Dec.)	190,249	150,312	2,451,638	2,113,206	+16.0
Shoes, prod., pr. ... (Nov.)	2,230,387	2,023,356	24,216,363	23,230,257	+4.2
Cotton consump., lb. (Dec.)	16,182,308	13,922,497	191,295,405	128,762,233	+48.5
Raw rubber imp., lb. (Nov.)	11,311,687	3,363,319	97,452,005	63,994,328	+52.3
Cigarette cons. No.† (Dec.)	574,837	512,380	7,571,841	7,126,192	+6.2
•Sugar manufactured.. lb.§	87,221,405	125,980,987	1,137,792,237	1,125,491,867	+1.0
FINANCE—					
Bank debits† ...... (Dec.) $	3,208,348	3,056,867	34,437,475	31,617,352	+8.9
Bond sales† .... (Dec.)	326,704	72,719	2,277,999	1,441,751	+58.1
Life insurance sales (Dec.) $	33,727,000	34,759,000	365,217,000	368,726,000	—0.9

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. °Preliminary.
▴Total at yards and plants.
New items for week marked •
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.

Windsor-Detroit Fares Are Doubled

Toll rates for atomobiles using either the tunnel or bridge connecting Detroit with Windsor, Ontario, have been raised under authority of the Dominion Board of Transport Commissioners. The Detroit & Canada Tunnel Co. and the Detroit International Bridge Co. have benefitted.

New single trip rate for car and driver is 50 cents against 25 cents previously with commuter tickets available at 30 cents and 35 cents, depending upon the quantity purchased. The bus line operated by the Tunnel Company has increased its commuter fares to 8 1/3c. from 6¼c., with single passage fares remaining unchanged at 10 cents.

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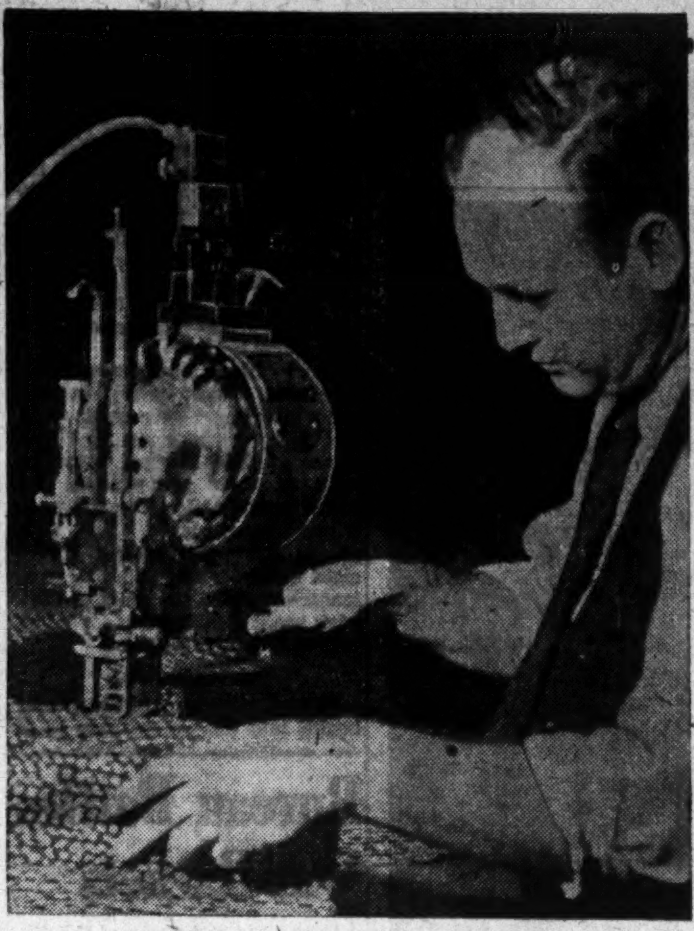

BATHROBES FROM AUTO PLANT

The making of bathrobes, lounging robes, pyjamas and similar garments for soldiers in hospital, by diligent Canadian Red Cross workers, is being speeded by use of special equipment in the Ford Motor Co. plant at Windsor. Cloth pattern pieces for the Windsor branch of the Red Cross are turned out on a mass production basis by the expert cutters and high speed cutting machines in the upholstery department of the auto factory. Above, 44 layers of heavy cloth for lounging robes are being cut in one operation.

Keeping Posted . . . . . .

Publishers and editors of country weekly newspapers, I find, read The Post from cover to cover. To them, therefore, I recommend a book related to their craft — "Ink on My Hands," by Clayton Rand (McClelland). They'll find it much more than merely enjoyable. Mr. Rand started a weekly newspaper in a "hick" town in the State of Mississippi, where the population was a thick mixture of whites and blacks and Indians—illiterate, for the most part, feudists by inclination, and content to go on and on in a way of life that was a discouragement to enterprise. But Mr. Rand, by sheer forcefulness, joined to vision and purpose, set out to change his community—to get good roads, better schools, indoor sanitation, more law, and less tobacco chewing. He won out, and he tells the story of how he did it in his book. One day he needed 20 copies of his newspaper, and offered 10 cents a piece for them. He got magnificent evidence of the way his paper was read: almost every copy sent him was stained with tobacco juice and was very dirty and worn from much handling. When he showed these soiled copies to local advertisers, they became ready buyers of space.

JOHN C. KIRKWOOD

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Peaceful Canada

Gladys Arnold is a Canadian journalist. She has but recently returned to her native land after being five years abroad—chiefly in Paris and London. She contributes a very entertaining article to the February issue of Mayfair, "I'm Rediscovering Canada." Here are some of her discoveries: "There's peace in Canada. People saunter and pause meditatively before bright Montreal store windows. Doors unsandbagged; no barbed wire, no hidden statues nor guns poking their snouts out of windows or from behind trees in the squares. A crowd in Canada is gay, lighthearted and talkative. The biblical land of 'milk and honey'—Canada! Simplification of social life is the growing order of the day. Gone the 'hectic age' which was dragging itself out when I left Canada. In its place a dawning age of new values. Canada is being transformed as surely, if more slowly, as is the Motherland. Land of inestimable, unexploited material wealth—but also land of undreamed cultural potentialities. No wonder that in this land even the winds sing!"

• • •

Motor's Deadly Toll

In the past year 26% of all fatalities and 65% of all injuries in traffic accidents were due to collisions between the motor vehicles. Since 1930 deaths from collisions on rural roads have doubled. Analysis of the reports of the accidents indicate that dangerous speed, stealing the right of way, and driving on the wrong side of the road, are the chief faults of drivers. But the real causes of the accidents are these mental failures: foolish and unnecessary hurry, lack of mental alertness, failure to see danger in time, and miscalculation of the speed of the approaching car. I suggest that an article in the January issue of Bus and Truck Transport by C. W. Price, formerly general manager, the National Safety Council, entitled: "When Two Cars Collide," be made into a leaflet and distributed gratis by some motor car manufacturer or oil company.

• • •

The "Delicator"

The chances are that few Post readers know what a "delicator" is. It's a meat slicer; also a silent salesman. In the market store of Sam Butti in North Bay this machine, all by itself, has doubled the sales of round steaks. Canadian Grocer reports the delicator is something more than a slicer; it eliminates tough steaks.

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Toy Fair

Toronto is to have a six-day convention in March at which there will be no dinners or speeches. It will be the Canadian Toy Fair, organized by the Canadian Playthings Association. In addition to Canadian-made playthings there will be British toys. An invitation to be present for the full period of the Fair will be extended to Santa Claus, who in previous years has filled his pack and sled with toys made in the United States. Now Canadian toy and plaything makers must meet the need. They profess to be able to come through the challenge creditably.

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Know Your Job

In Montreal all workers in the building trades must carry a "competency" card, issued by a joint committee. In the case of plumbers and steamfitters they must have their city or provincial license. Inspectors check up on this matter, and when they find men working without competency cards or licenses, these men are given five days to comply with the law. The idea of a competency card is good. If only all workmen, in all vocational classifications, had to produce authentic evidence of competency, there would be less grief in the world.

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Restaurant Car

They don't run a dining car on the Temiskaming & Northern Ontario Rly., but a restaurant car. A counter runs the length of the car—a converted dining car, and 24 persons can sit on comfortable stools and be served expeditiously. The name of this restaurant car is genuinely northern—"Agumik." An illustrated description of this car is given in the January issue of Canadian Hotel Review.

Lumber Move At New High

Rails Boom as Tramp Traffic Through Panama Dwindles

From Our Own Correspondent

VANCOUVER. — Canadian railroads will carry more British Columbia lumber from coast to coast this month than ever before, according to transportation company estimates.

It is expected that a total of more than 33 million feet will be moved from Vancouver during the February period, or nearly as much as the province shipped by the sea route to the United Kingdom in December, and that the volume of rail traffic in lumber will increase in March, April and May.

The rise in rail volume is due to the diversion of tramp shipping from the Panama Canal and the necessity of lumber exporters to rely on the overland route. Not all the rail-shipped lumber is for the United Kingdom, however. A large proportion of it is for the Atlantic seaboard states, which are currently an important outlet for B.C. lumber due to prevailing high prices and the exchange which offset the U.S. customs tariff.

Not Hurting U.S.

West coast lumber shippers emphasize, however, that their sales to the United States represent only a small fraction of the total requirements of the booming American market and that whatever inroads they are making in that territory is not at the expense of the already overcrowded American sawmills.

Shipping men point out that while regular line space will continue to be available through the Panama Canal, tramp ships are finding that concentration in the Atlantic is more profitable inasmuch as they can make two and a half trips across the Atlantic in the same time required for a single voyage from the British Isles to the Pacific Northwest.

The all-water route, of course, is much cheaper and for that reason exporters and British buyers are hoping for a resumption of shipping on a large scale before many months.

Rail Earnings Best Since '29

Combined Gross For January Up 19% From Last Year

From Our Own Correspondent

MONTREAL.—Earnings of Canadian railways in January reached the highest total for the month since 1929.

Combined gross earnings of Canadian Pacific Railway Co. and Canadian National Railways totalled $35.6 millions during January, an increase of $5.8 millions, 19.4% over the same month last year.

In January, 1929, gross earnings of railway companies totalled $37.8 millions, while in 1933, at the depth of the depression, the total was $17.4 millions.

Following are comparative combined gross earnings from 1928 to 1941 for January:

Gross Combined Earnings
January

1941	$35,612,000	1934	$20,533,000
1940	29,834,000	1933	17,399,000
1939	23,194,000	1932	21,761,000
1938	23,637,000	1931	27,557,000
1937	24,237,000	1930	33,245,000
1936	22,066,000	1929	37,834,000
1935	20,377,000	1928	37,316,000

Good Increases Shown

Gross traffic earnings of Canadian Pacific Railway Co. in the 10-day period ended Jan. 31 totalled $5 millions, an increase of $347,000, or 7.5% over the same period last year.

In the year to Jan. 31 gross earnings totalled $14.7 millions, an increase of $2.4 millions, or 19.9% over the same period last year.

Canadian National Railways reports gross earnings of $7 millions, an increase of $601,420, or 9.4% over the same 10 days last year.

In the month of January cumulative gross earnings amounted to $20.9 millions, an increase of $3.3 millions, or 18.8% over the same period last year.

New Building

Reported by Engineering & Contract Record:

International Business Machines Co. is having $80,000 office building constructed on Beaver Hall Hill, Montreal.

Steel Co. of Canada is having plans prepared for plant addition at Hamilton.

Canada Packers Ltd. is contemplating adding to its Hull plant at cost of $300,000.

Campbell Soup Co. is undertaking an addition to its factory at New Toronto, in Toronto suburban area, which will double capacity of tomato treatment unit.

General Motors of Canada has awarded general contract for construction of two new buildings at its main plant at Oshawa, Ont., at estimated cost of $150,000; and various sub-trades contracts have been let for construction of $200,000 addition at plant in St. Catharines of McKinnon Industries Ltd., G. M. subsidiary.

James MacLaren Co. is reported contemplating construction of additional storage works near Buckingham, Que., at estimated cost of $3 millions.

B. C. Not Hopeful In Freight Plea

Realize Transport Board Authority Limited — Retain McGeer

From Our Own Correspondent

VANCOUVER.—West coast industrialists don't expect to get much satisfaction when they lay their case against increased freight rates before the Board of Transport Commissioners either here or in Ottawa during the next few weeks, but they regard the hearing as a necessary preliminary to getting the issue before the Federal Government.

The limitations of the Transport Board's authority are fully recognized here. Technically, the railways apparently have every justification for raising the rates, as they did Feb. 1, because of the withdrawal of ship competition through the Panama Canal. It is doubtful whether the board will be able to give more than a literal interpretation of the legalities of the case and decide in favor of the roads.

National Interest

West coast manufacturers contend, however, that the issue transcends technicalities and that it should be fought on the basis of national interest. They point out that industrial progress on this coast during the past two decades has been based largely on the rate structure developed since the Panama Canal was opened, and that the railways are merely taking advantage of a temporary situation that will end as soon as shipping returns to its normal condition. In the meantime, however, industries may suffer irreparable loss, at a time when they are just beginning to pull their weight in the war effort.

The B.C. Government formally got behind the manufacturers during the past week by retaining G. G. McGeer, K.C., as counsel with instructions to fight the case to a finish. McGeer, who served a spectacular term as mayor of Vancouver, is regarded as the ablest freight rate lawyer in British Columbia, largely responsible for the equalization of freight rates secured during the Oliver administration.

Quebec Farm Loan Rates Are Revised

From Our Own Correspondent

MONTREAL.—An increase of half of one per cent, bringing rate of interest on agricultural loans to 3%, will go into effect in the near future, Premier Godbout announced in the Quebec Legislature. The term of these loans will be reduced from 40 to 25 years.

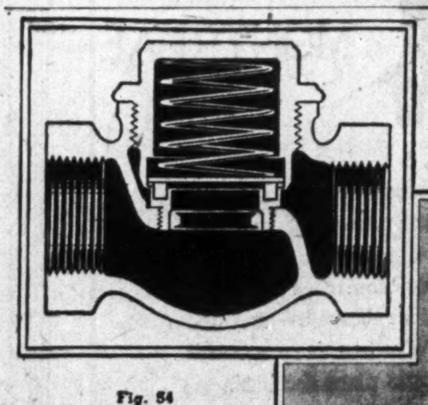

Fig. 54
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Province of Quebec

3¾% Debentures, due February 1, 1951
(Callable on and after Feb. 1, 1950)
Price: 99.50 and accrued interest, to yield 3.81%

4% Debentures, due February 1, 1956
(Callable on and after Feb. 1, 1954)
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These debentures will be direct obligations of the Province of Quebec and will be a charge as to principal and interest upon the Consolidated Revenue Fund of the Province.

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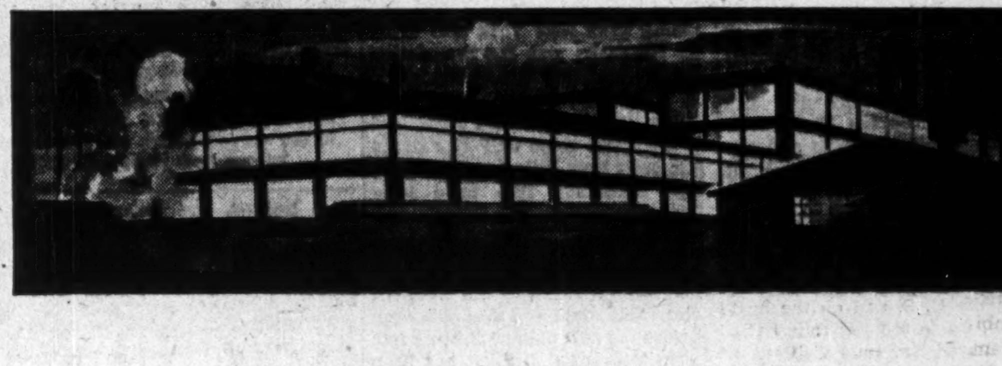

Fewer minutes to spare

As industry quickens its production, fewer minutes can be spared in obtaining statistics upon which to base vital decisions . . . fewer minutes can be wasted tracing stock and parts . . . fewer minutes can be used up in looking for clerical errors in budgets, specifications, estimates and commitments.

Throughout the years industry has relied upon Burroughs products to provide the prompt figure controls so vital to business production.

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By Air, Land and Sea

Travel Routes to Bermuda Reopened

Access to the Island Resort Renewed by Exchange Plan

The travel way to Bermuda is open again to Canadians. Until recently access to the island colony and its winter resort attractions, warmly anchored in the Gulf Stream zone, had been sharply curtailed by last summer's ban on pleasure travel in the U. S.

New regulations of the Foreign Exchange Control Board, issued several weeks ago, have lifted the bars from the most convenient and speedy routes from Canada to Bermuda, through the U. S. In effect it is now as easy to visit the balmy, picturesque outpost of Empire, oldest self-governing British colony, as it was before its Canadian travel patronage was choked off.

It is possible once more to travel to Bermuda over the quickest, most direct routes by a combination of rail-steamship or rail-air services, or entirely by air. As before, there is no restriction on the amount of Canadian dollars the traveller may take with him to Bermuda—where Canadian currency is freely accepted—or convert into sterling for expenses during his sojourn on the island.

Special Excnange Plan

Renewed access to the island, increasingly popular with Canadians in recent years as a winter-spring holiday haven, was effected by the new exchange arrangements with authorities of Bermuda, the Bahamas and Jamaica. These are specifically designed to facilitate Canadian pleasure travel to these sterling areas, without involving any drain on Canada's resources of U. S. exchange.

Under the plan the traveller pays for the entire cost of his transportation, including incidental expenses, in one transaction in Canadian dollars in Canada. The U. S. dollars to pay the American steamship and air lines taking part in the plan are provided not by Canada, but out of dollar credits purchased with sterling by authorities of Bermuda, the Bahamas or Jamaica, as the case may be.

Handled Through Agents

Corresponding amounts of Canadian dollars are channelled to these places or put to their credit in Canada through the Canadian offices of Thomas Cook & Son and the American Express Co. These concerns are acting as agents and exchange bankers in the scheme, in addition to supplying the necessary tickets and rail, ship and air reservations.

They also furnish U. S. funds for incidental expenses on the way through the U. S. and on the boat or plane, up to $30 per round trip being allowed Bermuda visitors.

Bookings for trips may be made either directly through Cook's or American Express offices, if available to the traveller; or through other travel agents, railroad ticket offices or air line agencies. In most cases it is possible to make hotel or guest house reservations through the same agency as handles the transportation bookings.

Passport Needed

Arrangements to take out Canadian dollars for expenses in Bermuda, or for conversion into sterling funds, are being handled through banks in the usual way. In addition the prospective traveller requires a Canadian passport and U. S. visa, both for travelling through the U. S. and entering Bermuda. As the $1, one-year special passports are restricted to use for travel to the U. S. only, a regular long-term passport ($5) should properly be obtained for Bermuda trips to comply with the regulations.

The new Canadian exchange regulations covering Bermuda trips stipulate that the part of the journey through the U. S. must be kept to a minimum and forbid departure from Canada from any point west of Windsor. However, a wide range of choice is permitted as to routes and modes of travel through the U. S., and for the 670-mile trip from the U. S. mainland to Bermuda.

Choice of Routes

The chief alternative routes available to Bermuda from eastern Canada points may be summarized as follows:

1. By rail, bus or plane to New York, thence by Grace Line steamship touching at Bermuda on the South American run. The New York-Bermuda trip takes about 40 hours, or a little over a day and a half. Service is weekly, leaving New York every Friday.

2. By rail, bus or plane to Baltimore (direct or via New York) and thence to Bermuda by the regular U. S.-Bermuda flying boat service of Pan-American Airways. (Pan-America's transatlantic Clipper planes from New York also touch at Bermuda, but accommodation for the part-way trip to the island is often not immediately available.) The flight from Baltimore to Bermuda takes only five hours and costs very little more than the base steamship fare from New York.

3. To Halifax or Boston, thence to Bermuda by Canadian National steamship services to the West Indies. This route was available even before the new plan permitting free transit through U. S. It has been utilized to a limited extent, however, because the weekly service out of Halifax involves a longer, more roundabout trip by both train and ship. This drawback does not apply to the route through Boston, but service is less frequent (every two weeks).

Warm Climate

Though Bermuda lies far enough west in the ocean to be southwest of New York and directly south of Halifax, the island is in the same latitude as south Florida and Nassau. Benefitting similarly from its nearness to the Gulf Stream current, it boasts brilliant subtropic scenery and a sunny climate the year round.

Weather records running back 25 years show average temperatures from December through April of from 63 to 65 degrees. The averages of highest daily readings in the same months range between 76 and 78 and the minimum averages, between 43 and 48.

The averages of sea temperatures in the same winter-spring period range from 63 to 66 degrees.

Background of Tradition

With a history running back to 1609, the scenic brilliance and climatic comfort of the island are enhanced by a background of mellow tradition, picturesque customs and surroundings, and the British character of the people. With automobiles banned, the general use of bicycles and horse-drawn carriages epitomizes the colony's leisurely pace and peaceful lack of urban bustle.

At present, of course, the tempo of activity on the island has been somewhat stepped up by war developments affecting Bermuda. Protective troops are stationed there and a British censor staff of about 700 checks the trans-Atlantic mails. Some 1,500 war refugees live on the island and there is activity in connection with the development of U. S. defense bases on several of the Bermuda group of islands.

Varied Attractions

But this has not affected the basic charm of life on the island, particularly for visitors seeking a respite from winter weather and the refreshment of resort facilities. There is still a wide choice of active sports and recreation, social gaiety, leisurely enjoyment of exotic surroundings and points of interest, or just restful loafing.

The sun still shines as brightly. The white and pink-tint beaches, the blue-green sea, the coral rock formations are still as striking. The tropical trees and shrubs, the vivid blooms of the oleander, scarlet hibiscus and purple bougainvillea, and—at Easter time—the gleaming white fields of Bermuda lilies, unfold a constant natural pageant for the visitor.

Hotels and Guest Houses

There is a wide range of choice of hotels, guests houses, smaller establishments and cottages available for visitors. Official Bermuda literature lists some 30 establishments, ranging from the Belmont Manor and Elbow Beach Hotel (accommodating 250-300) to more modest, intimate places with room for 10 to 20. And this is a selected list by no means exhausting the full choice available.

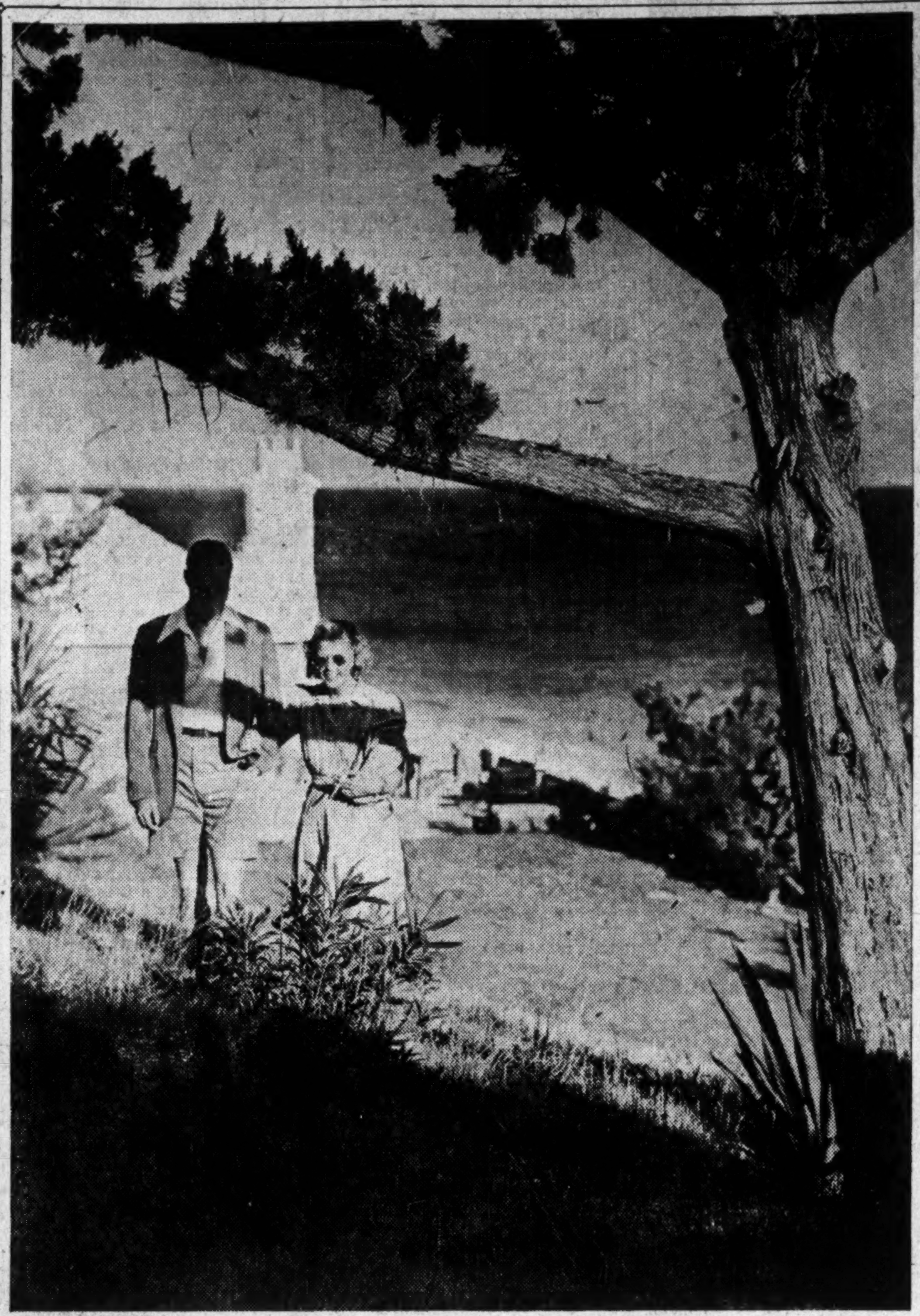
Daily rates at the hotels and guest houses run from $5 to $20 a day for single room and bath with meals (American plan), with some places offering straight weekly rates of $20 or $30 a week. Virtually all are located close to main travel routes and bathing beaches (several have swimming pools) and are comfortably appointed with electric lights, telephones and other modern conveniences.

Recreation Facilities

Bermuda's programme of social and sports activities and other events, and the general choice of recreations for the tourist, have shown little or no change because of the war. There are four 18-hole golf courses, several nine-hole courses. There are excellent courts open to tennis fans and tournament events are staged during the last week in March. There are, of course, plenty of facilities for swimming, fishing, sailing, and for such distinctive Bermuda pursuits as cycling, horseback riding on the beach, and sightseeing in horse-drawn carriages.

Such other recreations as archery, table tennis and skeet shooting are available, and the Visitors Service Bureau can always be consulted for suggestions or help in making the most of a Bermuda vacation. Popular attractions include the Government Aquarium, where you can study colorful marine life through glass or stroll along the sea floor in a diving helmet; a tour over the sea gardens in glass-bottomed boat; a tour around the islands in Bermuda's tidy little railway; or watching thoroughly British rugger, soccer and cricket matches.

Most visitors find their way sooner of later to the shopping district to buy British clothing and other merchandise or to pick up some of the handicrafts and novelties produced on the island. In this connection it may be noted that the Canadian dollar is at a premium over Bermuda sterling currency. Hotel bills can be paid and purchases made at most shops either in Canadian dollars or with sterling.



Brightly attractive cottages are readily available in Bermuda for renting—or purchase, for that matter—in addition to the variety of large and small hotels, guest houses and private homes maintained for the accommodation of visitors. One of the cottages in the popular South Shore district can be seen in the background of the above picture, which is framed by one of Bermuda's knotted cedar trees. New foreign exchange regulations now permit Canadians to visit Bermuda with virtually the same ease as before the war.

War Savings

Along the Thrift Front

Flashes

Regina, Sask.—Men of the Regina Rifle Regiment Second Battalion subscribed an average of $7 per man to War Savings Certificates and trainees of Reserve Training Centre gave an average of $3 each after pay parade . . . some 250 men of A company and headquarters including reserve platoon of Home Guard assigned entire pay, nearly $18 each for war savings . . . Twelve Regina firms report 100% subscriptions . . . 463 workers have pledged $2,315 per month . . . Saskatchewan has 163 committees organized.

Winnipeg, Man. — Little prairie town of Hilton was first to clamber aboard Manitoba's war savings drive . . . Officials pleased as of seven people canvassed, three pledged total of $1,320 during year . . . balance signed honor pledges.

Montreal, Que.—Nearly 7,000 employees in 97 Montreal firms have pledged $13,140 under payroll deduction plan . . . These firms are 100% . . . 493 firms have 49,000 employees pledged for $142,432 . . . Henry Birks & Sons announced 100% . . . Eagle Pencil Co. and Drummondville Cotton Co. both reported 100%.

Saint John, N.B.—Saint John letter carriers have been averaging $850 monthly in War Savings Certificate sales at homes where they deliver mail . . . Pupils of grammar school have loaned Government $1,839.

Halifax, N.S. — Sports club puts sinking fund into certificates . . . Mercury in city War Savings thermometer to be small Union Jack—slogan "Raise the Flag to Victory!"

• • •

These are samples of the enthusiasm sweeping the country as millions of stay-at-homes find a way to help fight their war. Many are taking their first plunge into the battle, others are well ahead of the organizers. In Montreal, for example, the committee found that 1,600 out of the 1,800 firms listed for the payroll deduction plan had already put it into effect—a tenth of these firms were at the 100% mark before the canvassers called.

• • •

Don't Be "Too Busy"

War Savings committees are urging employers not to be "too busy" when the canvasser calls. Organizing 2 million regular savers in a month is a job which is straining every resource of the volunteers who have undertaken the work. Most of the canvassing of industrial firms has to be completed by mid-February and some of the committees are handicapped by a shortage of workers. With 55% of Canadian firms handling war orders, time given to interviewing War Savings men is one way the business man can help keep factories at top speed. One interview capably handled may be all that is necessary for the duration of the war. In any event, the committees ask that employers remember that the canvasser is engaged on "the nation's business" too.

• • •

You Can't Lose

The gambler's fever is being deliberately fostered by the Wabi Iron Works of New Liskeard, Ont., for the benefit of the War Savings drive Each month the company is offering a $10 War Savings Certificate to be drawn for by employees. When over 90% of the employees are regular subscribers to the War Savings plan, the firm will raise its ante to $15 a month.

Longer, Sunnier Days Lure Skiers to Favored Areas

With the days growing steadily longer and sunnier, the movement of ski fans to favored districts for their sport has assumed regular and substantial proportions. All across Canada skiers of all ages and stations in life are heading in large volume for the ski grounds—with the ideal hilly terrain and choice snow conditions—most accessible to their home towns.

Those with regular jobs or executive duties usually have to concentrate their sport over week ends. But many with more time and means at their disposal make the most of their opportunities for longer sports holidays in the main winter resort areas. For both groups there still remain six or eight weeks—in some districts even longer—to make the most of Canada's unexcelled facilities for skiing and other winter pastimes.

Quebec Favored

Biggest movement of the winter hegira into the ski grounds is, of course, into the intensively developed winter sport zones in the hill and mountain areas of Quebec. This is partly because they are easily reached from the big population centres of the United States and Canada. Above all, it is because the splendid terrain and snow conditions in the Laurentians have been capitalized by extensive development of skiing and resort facilities, and by provision of special transportation services.

The heart of the Quebec ski zone, the Laurentian resort districts north of Montreal, can be reached by special railway services or direct by air from the principal urban centres. Also readily accessible are the resorts in the Quebec City-Lac Beauport area, and the famed Seigniory Club in the Ottawa region.

Bureau Battles War Rackets

J. P. PATTERSON

Operations and scope of the Toronto Better Business Bureau have considerably increased in the past year, largely as result of attempts to exploit the war through fake charities and other rackets, officials of the Bureau reported at the recent annual meeting.

"Exploiting the war at the expense of the public has been taken advantage of by a number of get-rich-quick swindlers," said A. R. Haskell, general manager.

Tracy E. Lloyd, retiring chairman of the Board, reported:

"In connection with the war effort of our country, it is difficult to believe that unscrupulous racketeers could prey upon the public, business organizations and even the dependents of those on active service, but unfortunately such is the case. The Bureau is actively combatting such activities."

Unregistered Appeals

One difficulty that has arisen in this connection, Mr. Haskell reported, was that all appeals for funds in connection with the war do not have to be registered under the Dominion War Charities Act. This measure deals chiefly with solicitations purporting to be the more or less direct benefit of the armed forces and their dependents. It does not cover solicitations for funds to buy tanks, airplanes, ambulances, etc., or secondary appeals which are or claim to be for the benefit of reputable, registered war charities.

During the past year the Bureau handled over 5,000 enquiries from the public and 425 specific complaints, as a result of which 291 persons received restitution of amounts totalling $6,073 and 41 others were given facts which saved them from investing amounts totaling $12,382.

Officers Elected

Officers and directors were chosen at the annual meeting as follows:

JOHN P. PATTERSON, Norris-Patterson Ltd., advertising agency, **chairman of the board.**

TRACEY E. LLOYD, Hinde & Dauch Paper Co., **vice-chairman.**

C. A. NEVILLE, Bank of Montreal, **secretary.**

G. G. RICHARDSON, Clarkson, Gordon, Dilworth & Co., **treasurer.**

Directors

G. H. ANDERSON, Canada Foils Ltd.
DOUGLAS BLACKBURN, Acme Farmers Dairy Co.
W. A. A. CHOWN, Benjamin Moore & Co.
C. P. COUTTS, Dominion Stores Ltd.
G. H. HAND, Maple Leaf Milling Co.
J. A. HEARN, Riverdale Garage Ltd.
H. G. KIMBER, Toronto Globe & Mail.
TRACY E. LLOYD, Hinde & Dauch Paper Co.
C. A. NEVILLE, Bank of Montreal.
JOHN P. PATTERSON, Norris-Patterson Ltd.
J. M. PAULINE, Imperial Life Assurance Co.
G. G. RICHARDSON, Clarkson, Gordon, Dilworth & Co.
ERNEST SIMPSON, Salada Tea Co. of Canada.
HARRY G. STANTON, Mara & McCarthy.
A. F. TELFER, International Business Machines Co.

Track!
Fast down hills—gentle slopes—cross country runs—125 miles of trails. That's skiing at Gray Rocks Inn in the Laurentians. Tow—ski school—dog teams, skating. Good accommodation. Restricted clientele.
F. H. WHEELER, Mg. Dir.
ST. JOVITE STA., QUE.
GRAY ROCKS Inn

THE SAFE CONVENIENT WAY TO CARRY MONEY
Canadian Pacific Express TRAVELLERS CHEQUES

NOW YOU CAN FOLLOW THE SUN TO Bermuda

★ It's travel as usual to Bermuda this winter. Tropical, Bermuda is still as British as Bond Street . . . as pleasant and peaceful as ever. The moment you touch its coral shores, every world-jaded nerve is lulled to rest. Summer sports or lazy loafing are yours for the easy getting there. By special arrangement with the Canadian Foreign Exchange Control Board you can now go by way of the United States. Your travel agent can make all necessary arrangements.

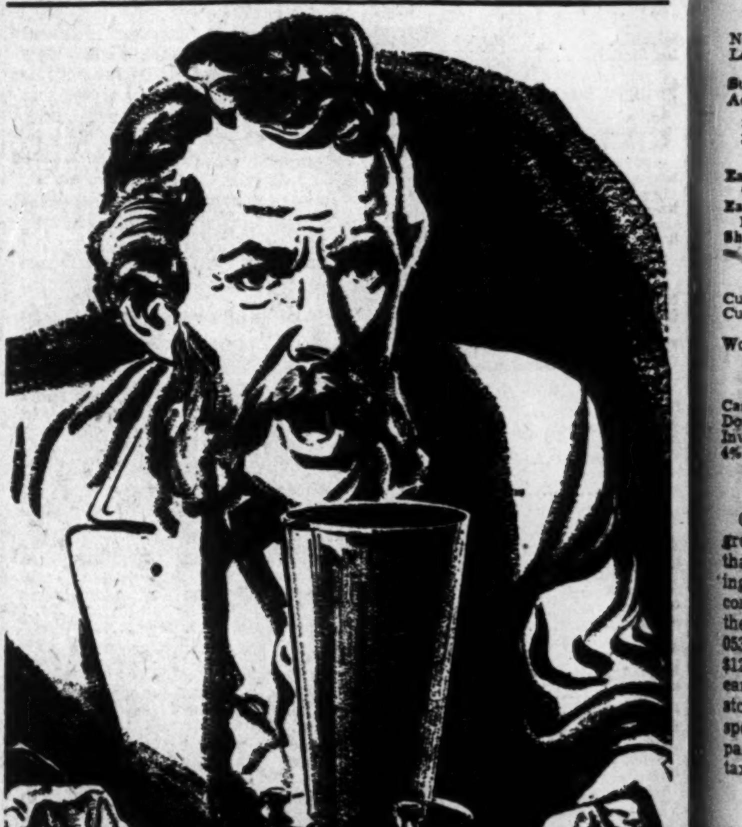
SEE YOUR TRAVEL AGENT EARLY
OR
Thos. Cook & Son Limited
Toronto and Montreal
or
American Express Travel Service
Montreal

A SHORT, SAFE TRIP BY SEA OR AIR

BY SEA. Sailing via Grace Line from New York every Friday under American flag. $100 and up, return. Sailings from Halifax and Boston, via Canadian National Steamships, $70 and up, return.

BY AIR. Five round trips per week from New York or Baltimore by new Pan American clipper ships. $120 return.

● For Booklet: *Your travel agent or the Bermuda Trade Development Board, Victory Building, Toronto.*



THE STORY OF THE TELEPHON

"Mr. Watson, come here . . I want you!"

● The first sentence ever spoken—and heard—over a telephone was a call for help! On the night of March 10, 1876, Alexander Graham Bell sat down before a new type of transmitter, to try once again to send his voice by wire to a room down the hall where his assistant, Mr. Watson, was listening. Bell was tired and nervous. A sleeve button caught a wire connecting two batteries and pulled them over, spilling acid on his clothes. Instinctively he called: "Mr. Watson, come here, I want you." An instant later, Watson burst into the room crying: "Dr. Bell, I heard every word you said—distinctly!" Today, less than 65 years later, you can talk from your home or office telephone over the coast-to-coast circuits of the Trans-Canada Telephone System to any part of the Dominion and to many foreign countries.

TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA

MANOIR PINOTEAU AT MONT TREMBLANT
In the Laurentians, at base of famous Mont Tremblant . . near chair ski-lift. Every comfort at moderate rates. Write, bklt., Manoir Pinoteau, Lac Tremblant, P.Q.

Now You Can Follow Summer Sunshine to JAMAICA
Exchange facilities allowing necessary funds for U.S. portion of trip now available! Fly by the Golden Arrow from Miami, Fla., every Sunday morning until end of March or sail from New York. Full information and arrangements through nearest office of
THOS: COOK & SON, LIMITED
or
AMERICAN EXPRESS COMPANY
or write
Tourist Bureau, Kingston, Jamaica, B.W.I.

THE ALPINE
Enjoy Spring Skiing at the Alpine!
Glorious Spring under the warm sun . . . a real sun-tan . . . relax on the sun-deck . . . ski in the crisp air. This luxurious log chalet of the Laurentians, north of Montreal is newly constructed . . . 60 rooms with or without private bath . . . cozy hearths . . . excellent cuisine and every up-to-date convenience.
Two ski-tows and Hill 60 on property . . . proximity to Mount Baldy . . . well marked trails . . . European and Canadian ski instructors . . . other interesting activities for the non-skier.
Write for booklet, rates
THE ALPINE INN, Ste. Marguerite Station, P.Q.

McBRINE BAGGAGE
ATTENTION MEN!
HERE'S JUST WHAT YOU NEED!
Here's an ideal piece of baggage for a pleasure jaunt . . . or business trip! Famous Aeropack unit (Patented by McBrine) carries extra suit and dress clothes in perfect press. Smartly styled too. See it at your local McBrine Dealer's.
This AEROPACK CARRIES 2 SUITS
McBRINE
THE Baggage WITH CHARACTER

IN MONTREAL
men of affairs naturally stop at the Windsor because of its reputation for dignified comfort and unobtrusive, courteous service, its convenient location—and because the Windsor is recognized as the proper place for business and social meetings.
THE Windsor
ON DOMINION SQUARE
J. Alderic Raymond
President

Company Reports

Canada Foundries

Reflecting a sharply increased volume of business, gross income of Canada Foundries & Forgings in 1940 amounted to $379,846, as against $178,361 the year before. Despite the large increase in revenues, net profit for the year was practically the same as in 1939 because of an increase in provision for taxes from $27,000 to $199,675. Because of the improved surplus position, a dividend of $1.50 a share was paid during the year on both classes of stock.

The balance sheet as at Dec. 31, 1940, shows relatively few changes. Net working capital was maintained. Accounts receivable increased from $250,385 to $335,276, while inventories advanced from $405,636 to $583,503. There was a moderate reduction in the bank loans—$130,800 to $108,900.

Income & Surplus Account
Years Ended Dec. 31

	1940	1939
Gross income	$379,846	$178,361
Less: Deprec.	47,071	21,470
Bond interest	164	2,206
Exec. salaries	25,350	20,075
Directors' fees	2,575	2,400
Income taxes	199,675	27,000
Net profit	105,010	104,986
Less: "A" divds.	56,910	......
"B" divds.	14,400	......
Surplus	$33,700	$104,986
Prev. surplus	203,848	102,742
Less: Bond premium	3,290	3,880
W/o real estate	10,000	......
Surplus forward	224,259	203,848
Share earnings	$2.20	$2.20

Working Capital

	1940	1939
Current assets	$933,300	$661,561
Current liabilities	481,424	238,956
Working capital	451,876	422,605

Hinde & Dauch

Hinde & Dauch Paper Co. of Canada reports net profits for 1940 equivalent to $1.38 a share compared with 99 cents in 1939.

Sidney Frohman, president, reports tonnage production about the same as in the previous year with paper mills at a new all-time high and box factories down slightly. Direct and indirect export restrictions are blamed for the decline in box factory output and the fact that paper mills did not produce even more. These restrictions are expected to remain "for some time," but Mr. Frohman suggests this may be offset by increased domestic demand. Only a small participation has been made by the company in direct war production.

Outstanding serial bonds were again reduced with the balance of $450,000 maturing May 1, 1941, and 1942. Bad debts to the extent of $2,043, or 0.039% of sales, were charged off, somewhat less than the amount of the reserve provided. Potential production capacity of all divisions is now greater than ever before.

Oscar Hudson & Co., auditors, point out that company directors have approved provision of a reserve of $53,385 against future inventory losses.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	924,664	558,057
Less: Depreciation	188,342	176,514
Bond interest	19,333	23,333
Life insur. (net)	2,107	2,214
Income tax	300,000	60,000
Net profit	414,882	295,996
Less: Dividends	149,967	149,967
Surplus for years	264,915	146,029
Add: Prev. surplus	1,772,549	1,627,394
Profit on assets	707	2,855
Expense adjust.	34,000	......
Tax adjustment	7,262	*3,729
Earned surplus fwd.	2,079,433	1,772,549
*Deduction in 1939.		
Earned per Share	$1.38	$0.99
Paid	0.50	0.50
Shares O/s, n.p.v.	299,933	299,933

Working Capital

	1940	1939
	$	$
Current assets	1,939,305	1,409,751
Current liabilities	453,695	157,311
Working capital	1,485,610	1,252,440

Balance Sheet Changes

	1940	1939
	$	$
Cash	281,726	54,904
Dominion bonds	66,681	......
Inventories	959,916	669,007
4% bonds	450,000	550,000

Celtic Knitting

Celtic Knitting Co. experienced a greater volume of business in 1940 than in the preceding year. Operating profit of $40,699 is shown by the company's financial statements for the year ended Dec. 31, against $28,053 in 1939. Net profit amounted to $12,362, against $6,126, equivalent to earnings on the no par common stock of 45 cents and 23 cents, respectively. In its accounts the company provided for Excess Profits tax on the minimum basis.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
Operating profit	$ 40,699	$ 28,053
Less: Exec. sales	7,986	6,100
	32,713	21,953
Add: Invest. inc.	4,550	3,850
Total income	37,263	25,803
Less: Deprec.	21,293	19,401
Income tax	3,608	276
Net profit	12,362	6,126
Add: Prev. surp.	13,018	6,886
Bad debts rec.	76	6
Less: Pr. inc. tax	421	......
Surp. forward	25,035	13,018

Working Capital

	1940	1939
Current assets	$158,075	$148,201
Current liabs.	73,303	81,297
Working capital	84,772	66,904

Balance Sheet Changes

Cash	$ 671	$ 7,804
Accts. rec.	44,371	19,956
Inventories	113,033	120,441
Bank loan	51,200	48,400

Beauharnois

Beauharnois Light, Heat and Power Co.'s gross income in 1940 amounted to $4,337,831. This was the first report issued by the company since reorganization and in his remarks to the shareholders John S. Norris, president, points out that due to war conditions, sales and earnings have increased to an amount that in peacetime would probably not have been realized until 1942. In 1939 Beauharnois Power Corp., the then holding company for Beauharnois Light, Heat & Power, reported a gross income of $3,944,028. Following the usual practice the company wrote off, after expenses and fixed charges, the balance of income to depreciation reserve. This amounted to $338,020 in the past year. This is the first time since inception of the company that earnings have been in excess of fixed charges.

More Water Rights

During the year the company was granted the right to divert an additional 30,000 c.f.s. of the water of Lake St. Francis for the production of additional hydro-electric power. In 1940 capital expenditure amounted to $3,078,351, which was financed through the medium of first mortgage bonds previously underwritten.

Last June $18 millions of second mortgage bonds and convertible notes were redeemed and replaced by corresponding amount of 20-year notes, of which $6 millions are secured by deed of hypothec and $12 millions unsecured.

Wind-up Holding Unit

In September the share capital of the company was converted from 40,000 shares of $100 in par value to 715,779 shares of no par value. The new shares were delivered to Beauharnois Power Corp. for distribution to its shareholders in exchange for the shares of the corporation, thereby permitting the winding-up of the corporation and surrender of its charter.

Details of the income and surplus follow:

Consolidated Income Account
Year Ended Dec. 31, 1940

Gross income	$4,337,831
Oper. exps. & taxes	694,815
Fixed charges	3,304,996
Net income*	338,020

*Transferred to depreciation reserve.

H. Simon & Sons

H. Simon & Sons, Ltd., cigar manufacturers, reports an over-all income in 1940 of $100,546, as against $88,886 the year before. The improvement in gross was wiped out by an increase in taxes from $10,000 to $26,000, leaving net profits at $38,329. This latter figure compares with $46,944 for 1939. After payment of dividends there was a surplus on current income of less than $2,000, as contrasted with about $10,000 the year before.

The balance sheet as at the end of 1940 reflects a maintenance of working capital position. The bank loan was reduced from $25,000 to $20,000. There was a moderate increase in both accounts receivable and inventories, but otherwise the balance sheet remains much the same as a year ago.

Details of the profit and loss statement follow:

Income & Surplus Account
Years Ended Dec. 31

	1940	1939
Gross income	$100,546	$88,886
Less: Exec. sals.	28,487	26,634
Directors' fees	993	846
Legal fees	1,550	600
Depreciation	4,187	3,321
Bad debt res.	......	1,463
Income taxes	26,000	10,000
Net profit	38,329	46,944
Less: Pfd. divds.	18,543	18,701
Com. divds.	18,030	18,030
Surplus	1,756	20,213
Prev. surplus	†141,041	124,124
Surp. forward	142,797	134,337
†Adjusted.		
Earns. per Sh. of Com.	$0.65	$0.93

Working Capital

	1940	1939
Current assets	$514,610	$452,801
Current liabs.	144,998	95,950
Working capital	369,612	356,851

Mont. Island Power

Moderate improvement is shown in the income statement of the Montreal Island Power Co., for 1940, gross income from all sources totalling $762,864, as against $762,970 the year before. Due to economies, net income transferred to depreciation reserve totalled $96,736 compared with $85,013 in 1939.

There are no changes of consequence in the balance sheet. However, it is pointed out by the auditors sinking fund installments on the company's first mortgage bonds due on May 1, 1939 and 1940 were not paid; the consequent default was waived by the trustees. Further, no amount was shown in the balance sheet for contingent liabilities with respect to claims for flooding damages.

Details of profit and loss statement follow:

Income & Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross income	762,864	762,970
Less: Oper. exps. & taxes	146,028	160,383
Interest & exchange	21,524	18,999
Fixed charges	498,575	498,576
Net income*	96,736	85,013

*Transferred to depreciation reserve.

Working Capital

	1940	1939
	$	$
Current liabilities	268,292	357,376
Current assets	77,262	79,983
Excess of liabilities	191,030	277,393

Asbestos Corp.

With lower shipments due to wartime disruption of ordinary markets, earnings of Asbestos Corp. in 1940 dropped to $1,639,232, as against $2,077,958 the year before. Provision for depreciation was reduced about $80,000, while $281,187 was written off accounts and notes receivable from shipments to customers in territory occupied by the enemy. This left a net profit of $724,835, slightly over the $1.20 a share distributed in dividends. In 1939 the net profit was $1,279,809 or $2.13 a share.

The balance sheet as at the end of 1940 shows net working capital of $2.4 millions, an increase of over $300,000 during the year. Holdings of Government bonds and treasury bills increased by $550,000. In addition the company invested $49,625 in Province of Quebec bonds. Inventories recorded a moderate increase, while receivables dropped from $814,742 to $202,588.

In his remarks to the shareholders, R. W. Steele, president, said the market for asbestos "has naturally been seriously upset as the war has developed and tonnage shipped in 1940 was materially less than in 1939. At the present time, shipments are debarred from the continent of Europe, with the exception of Spain and Portugal which are not large consumers at any time. Exports to Australia have ceased because of the endeavors of the Australian Government to trade only in the sterling bloc. Shipments to the Orient have also been curtailed. While, on the contrary, consumption in the United Kingdom has shown an increase, it has not been of sufficient amount to offset the above mentioned losses and it became necessary to close the British-Canadian mine on September 28. The Kings, Beaver, and Vimy Ridge mills are still operating on full time and present indications lead us to hope that these operations may continue during 1941."

Income & Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross revenue	1,639,232	2,077,958
Less: Exec. salaries	59,677	57,000
Legal fees	1,133	10,308
Directors' fees	8,500	9,210
Depreciation	328,892	421,508
Pension fund	......	25,000
W/o accounts*	281,187	......
Tax provision	235,000	260,000
Bond interest	......	15,123
Net profit	724,853	1,279,809
Less: Dividends	720,000	810,000
Surplus	4,853	469,809
Add: Prev. surplus	563,550	443,741
Less: Gen reserve	......	350,000
Surplus forward	568,403	563,550

*Cover shipments made to enemy occupied Belgium and France.

Working Capital

	1940	1939
	$	$
Current assets	2,870,565	2,695,701
Current liabilities	442,986	586,465
Working capital	2,427,579	2,109,236

J. S. Mitchell

J. S. Mitchell & Co.'s financial statement for 1940 shows a moderate increase in gross profits, but after provision for income taxes, etc., net profit of $69,711 compared with $77,097 the year before. Earnings on the preferred were equal to $25.76 and on the common, $3.37. The latter compares with $3.85 the year before.

Gross income for 1940 was $361,832 contrasted with $310,836 the year before. The lower net was due to an increase of $30,000 in the company's tax bill.

The balance sheet shows the usual strong position, current assets exceeding current liabilities by $769,035, as against $748,282 at the end of 1939. There were no major changes in the items going to make up the balance sheet. Preferred stock outstanding was reduced during the year from $273,100 to $270,600. Cash, accounts receivable and inventory are all moderately higher.

Particulars of the profit and loss account follow:

Income & Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross income	361,832	310,836
Less: Expenses	292,121	233,739
Net profit	69,711	77,097
Less: Pfd. divds.	19,038	19,213
Com. dividends	30,000	30,000
Surplus	20,673	27,884
Previous surplus*	473,655	445,965
Surplus forward	494,329	473,850
*Adjusted.		
Earned on common	$3.37	$3.85

Working Capital

	1940	1939
	$	$
Current assets	1,072,015	993,996
Current liabilities	302,980	245,714
Working capital	769,035	748,282

Shawinigan

Shawinigan Water & Power Co. reports a gross income from all sources last year of $17,064,714, as against $15,133,527 the year before. Operating expenses and other prior charges were somewhat higher during 1940. Provision for depreciation was increased by $200,000 to $2 millions, while reserve for taxes at $1,340,000 compares with $419,000 in the previous year, an increase of $921,000. Because of the sharp advance in taxes, net earnings on the common stock were moderately lower at 95 cents, as against $1.06 a share in 1939.

The balance sheet as at December 31, last, reveals a number of important changes. Fixed assets increased by $1,238,000 owing to capital expenditures on transmission and distribution lines and addition to transformer capacity. Net working capital at $6,777,893 compares with $1,840,362 at the close of the previous year. The marked improvement in this connection resulted in part from the repayment of advances to the St. Maurice Power Corp. and which now stand on the books at $3,471,266, as against $6,654,123 a year ago. Cash position improved during the year from $2,421,985 to $6,282,955, while call loans and temporary investments expanded from $23,000 to $2,144,880. Among liabilities the only change of note was a reduction in funded debt from $90,947,000 to $89,909,000.

CANADA PERMANENT TRUST DIRECTORS

Leigh M. McCarthy (left), of the firm of Mara & McCarthy, stockbrokers, and Samuel Rogers, K.C., Toronto, have been elected to the board of the Canada Permanent Trust Co.

Income & Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Oper. revenue	15,762,140	13,994,918
Add: Other revenue	1,302,574	1,138,609
Total revenue	17,064,714	15,133,527
Less: Oper. expenses	1,302,468	1,126,794
Power purchased	2,339,653	1,771,897
Main. & repairs	871,821	838,667
Taxes, general	1,040,709	1,046,140
General expenses	1,480,217	1,439,166
Water stor. rentals	500,736	485,832
Net revenue	9,328,980	8,406,031
Less: Interest chgs.*	4,124,038	3,881,205
Depreciation	2,000,000	1,800,000
Prov. profits tax	158,000	61,000
Fed income tax	562,000	356,000
Prov. E. P. tax	623,000	......
Net profit	2,064,942	2,304,626
Less: Dividends	1,960,425	1,960,425
Surplus for year	104,517	344,401
Add: Prev. surplus†	2,150,041	1,870,990
Surplus forward	2,254,558	2,215,391

*Includes U. S. exchange of $266,564 in 1940 and $145,279 in 1939.

†After adjustments.

	1940	1939
Earned per Share	$0.95	$1.06

Working Capital

	1940	1939
	$	$
Current assets	10,609,373	4,483,683
Current liabilities	3,831,480	2,643,321
Working capital	6,777,893	1,840,362

Montreal Trust

Montreal Trust Co. reports earnings of $537,708, before reserve for income tax and pension fund provision, in the year ended Dec. 31, 1940. This compares with $559,887 in 1939.

After deduction of income taxes net profit amounted to $400,167 in 1940, compared with $490,272 in 1939. This was equivalent to earnings on the outstanding capital stock of $5 and $6.13, respectively.

Tax requirements showed a sharp rise during the year, increasing from $69,615 to $137,541.

Sir Herbert Holt, president, told shareholders at the annual meeting that the estates, trusts and agencies department had been especially active and assets under administration had risen by $8.5 millions.

The corporate trusts department was not as active as in previous years because of diminishing corporation borrowings through bond issues. There were fewer receiverships and reorganizations. Earnings from this department have fallen as a result.

A decrease in earnings was also registered in the company's transfer department, due to the inactivity of the stock market.

Earnings Record

Year	Paid-up Capital & reserves	Net profit	Div. rate	Rate Earned per sh.
	$	$	$	$
1936	5,000,000	386,105	4	4.83
1937	5,000,000	430,661	4	5.38
1938	5,000,000	463,964	4	5.80
1939	5,000,000	490,272	4	6.13
1940	5,000,000	400,167	4	5.00

Creditors' Position

	1940	1939
	$	$
Trust funds	15,372,964	17,263,191
Secured by:		
Trust acct. assets	15,372,964	17,263,191
Net cap. assets	5,632,600	5,562,432
	21,005,564	22,825,623
Estates, etc.	857,267,318	848,626,093

Landed Banking

Increased earnings are shown in the 1940 annual report of the Landed Banking & Loan Co. of Hamilton, Ont. Earnings for the year, before taxes and investment write-off amounted to $68,481 compared with $68,121 in 1939. W. D. Wilson, president, stated that circumstances arising from large crops and war conditions somewhat delayed collections and payments on principal and arrears, although these were satisfactory.

Total assets and liabilities were some $122,000 lower at the end of 1940, liabilities payable in sterling having dropped some $30,000 and deposits approximately $86,000. Annual meeting will be held Feb. 17, 1941, in Hamilton.

Earnings Record

Year	Paid-up capital & reserves	Net* profit	Div. rate	Rate earned per sh.
	$	$	$	$
1936	1,850,000	50,552	5	5.05
1937	1,850,000	55,003	5	5.50
1938	1,850,000	56,342	5	5.63
1939	1,600,000	56,590	4	5.66
1940	1,600,000	57,014	4	5.70

*After all charges and taxes, but before transfers to investment reserves.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Debentures & int.	526,148	567,230
Deposits	873,998	960,445
	1,400,146	1,527,675
Secured by:		
Liquid assets	374,364	661,437
Mtges., agmts. & int.	2,313,879	2,256,223
Other net assets*	378,981	274,814
	3,067,224	3,192,474

*Other assets less current liabilities; investment reserve of $41,197 not deducted.

Your Income Tax . . . .

From now until April 30, deadline for filing personal income tax returns, The Financial Post will answer questions from subscribers about their income and national defense taxes, as to exemptions to which they may be entitled, methods of payment, etc.

Enquiries are invited.

Not Liable For N. D. T.

I am a single woman without dependents. My income last year was $1,083 consisting of a $500 government annuity and $583 from investments and earnings. What National Defense Tax am I expected to pay?

You will not be expected to pay any National Defense Tax. Your annuity was evidently in existence before June 24, 1940 and it is liable for neither income tax nor National Defense Tax. Your other income is less than $600 and therefore it is not subject to income tax either.

Installing Furnace

I own a commercial building which is rented. The building is heated by a hot water furnace in the basement. I find it necessary to put in a new furnace. Can I deduct the cost of the furnace from my income from the building for income tax purposes?

Cost of a hot water furnace such as you mention is not ordinarily allowed as a deductible expense for income tax purposes. It is considered a capital expenditure. Accordingly you are entitled to claim depreciation along with that allowed on the building.

Depletion Allowance

Please tell me if dividends from the following stocks are subject to an allowance for depletion in regard to income tax: Consolidated Smelters, Noranda, International Nickel.

These stocks all represent producing mines in Canada. Consequently dividends from them are subject to an allowance of 20% for depletion. This 20% can be deducted from the dividend, both dividend and deduction being shown on the income tax form.

Child Working Six Months

My wife died in Jan., 1940. I still am keeping my home together and have three children under 21 years of age. One of these children started to work in June and was independent of me from then on as far as his keep is concerned. In making up my income tax form how much exemption can I claim?

Although your wife died in Jan., 1940, you are still entitled on your 1940 income to exemption of $1,500 as a married man.

You are also exempt $400 for each of the children not earning.

In the case of the third one who started to work in June, 1940, if the earnings in 1940 were over $400 a year you will not be allowed to claim any exemption for him. But if the child's earnings for the six or seven months of 1940 were under $400 then you are entitled to claim exemption for him also.

1881 ... 1941

THE MARQUIS OF LORNE, K.T., G.C.M.G.
GOVERNOR-GENERAL OF CANADA, 1878-1883

60 YEARS AGO
A Charter was signed

On February 15, 1881, the Marquis of Lorne, then Governor-General of Canada, signed the charter of the Canadian Pacific Railway. That signature consummated the vision of great Canadian statesmen—Sir John A. Macdonald, D'Arcy McGee, Sir Georges-Étienne Cartier, and Sir Charles Tupper—that the new Dominion of Canada should be linked from Atlantic to Pacific by a trans-continental railway—and implemented the pledge under which British Columbia entered Confederation.

So began a new era in Canadian unity ... and Empire solidarity ... for the Railway expanded into a system spanning two oceans and linking three continents. Today—as in 1914-18—a proud responsibility rests on our transportation and communication systems—railway, steamships, freight, express, telegraphs and engineering shops. Canadian Pacific officers and employees everywhere are co-operating—each in his own field—towards the common goal ... VICTORY. When that goal is reached—and it will be reached—this will be due, in no small measure, to Canada's contribution, and to the vision and foresight of the men who, sixty years ago, planned the construction of the first Canadian trans-continental railway.

Canadian Pacific
LINK OF EMPIRE

RAILWAY · STEAMSHIPS · EXPRESS · HOTELS · COMMUNICATIONS · SHOPS

Sun Life Completes 70 Years of Service

Arthur B. Wood, President and Managing Director, Reports Assets of Largest Canadian Life Assurance Company Now Total $950,794,000 — Payments to Policyholders in 1940 Exceed $94,000,000—Contribution of Canadian Life Assurance Companies in Time of War Reviewed by Mr. Wood.

The outstanding contribution of life insurance throughout the past seven decades was reviewed this week by Arthur B. Wood, president and managing director, Sun Life Assurance Company of Canada at the seventieth annual meeting of the company held in Montreal.

Mr. Wood recalled that in 1871, the year in which the Sun Life of Canada issued its first policy, life assurance in force among all companies on the North American continent was only three billion dollars. By the end of century it had grown to nine billions. At the present time it exceeds $124,000,000,000. In the same period assets have grown from $300 millions to over $33 billions.

Mr. Wood emphasized some of the factors which had contributed to this remarkable development. He showed how policy contracts had broadened and stressed the contribution of the agency system in making the benefits of life insurance available to an ever-increasing circle of people.

> "During these seven decades," said Mr. Wood, "life assurance has faced the hazards of wars, epidemics, booms and depressions and all the problems resulting therefrom. Its record is not only an impressive demonstration of the soundness of life assurance but evidence of its ability to meet all obligations in a normal way at all times and under all conditions."

Life Assurance in Wartime

Mr. Wood drew attention especially to the important part which life insurance companies in Canada were playing in time of war. He pointed out that life assurance is "essentially an organization based on the principles of thrift" and that with the growth of the business these savings have become the greatest single source of long term capital.

> "In wartime," said Mr. Wood, "life assurance funds perform an even more vital service. The raising of money adequate to provide for the huge expenditures which national defence and the successful prosecution of the war entail, is one of the most exacting problems of government.
>
> "In Canada, the life insurance companies are investing in government loans the greater part of the income of their Canadian business which in normal times goes to finance peacetime ventures. Two war loans were floated in Canada during the past year and in both cases our Company was the largest single subscriber.
>
> "In the United States, now embarked on a vast programme of rearmament, life assurance companies are among the largest purchasers of government securities.
>
> "Thus the premiums of policyholders do double service for while providing protection for dependents they make material contribution to war and defence programmes."

Mr. Wood told how Canadian life assurance companies had been utilized by the Government in connection with the war savings certificate programme. Leading company executives were loaned to the Government to set up the central organization and life assurance representatives gave freely of their time to canvass more than 10,000 corporations.

Mr. Wood quoted a letter of appreciation from Hon. J. L. Ilsley, Minister of Finance in which he stated that this part of the campaign was the "most productive source of revenue" and that it was bringing in "substantially over half of the applications and approximately fifty per cent of the money returns."

Assets at a New High

Turning to the results of 1940 operations within the company itself, Mr. Wood stated that the company's assets had now reached the impressive figure of $950,794,000. This represented an increase of more than $36 millions over 1939.

During 1940 payments to policyholders and beneficiaries were $94,173,000. Of this total nearly $26 millions was paid in death claims to approximately 7,800 families. Only 2% of these claims arose either directly or indirectly from the war. Payments under completed endowment contracts totalled nearly $20 millions. More than one-third of the amounts payable on death and maturity during the year were left with the company to be distributed in the form of income. The company has now more than 13,500 such contracts arising from claims of previous years on which proceeds are being paid regularly.

During the 70 years of operations the company has distributed $1,389,809,000 in benefits to policyholders and beneficiaries. At present these disbursements amount to $330,000 on average each working day.

Volume of new business secured by the company during the year totalled $169,509,000. Mr. Wood termed this as very satisfactory result in light of conditions prevailing during the year. He also stated that the company had now on its books $2,963,709,000 of assurance in force. The number of individual policies, including group certificates, numbered almost one and one-quarter million.

Mr. Wood's address follows:

The present Report marks another milestone in the history of the Company, the completion of seventy years of public service, and it seems appropriate before considering the operations of the year just past to review briefly some of the more significant developments in the growth of life assurance.

During these seven decades, life assurance has faced the hazards of wars, epidemics, booms and depressions, and all the problems resulting therefrom. Its record is not only an impressive demonstration of the soundness of life assurance but evidence of its ability to meet all obligations in a normal way at all times and under all conditions.

When our Company started in 1871, life assurance, in comparison with present day standards, was practically in its infancy. Although it had been practised in England for more than 100 years, and on this continent for over a quarter of a century, its progress had been slow. Its greatest development has taken place within the present century and on this continent.

Seventy Years Growth

In 1871 total assurance in force in all companies on the Continent of America amounted to only $3,000,000,000. By the end of the century the total had grown to $9,000,000,000 and at the present time it exceeds $124,000,000,000. In the seventy-year period the assets increased from $300,000,000 to over $33,000,000,000. This growth has been accompanied by many notable developments in the practice of life assurance. In the early days plans of assurance were few. Policy contracts were simple in form, providing for the payment of the sum assured on the happening of the event assured against and little more. They contained many restrictions regarding travel, residence and occupation, and few privileges. In contrast, policy contracts now are practically free from restrictions and contain many privileges. Plans of assurance have been devised to meet the varying circumstances of the individual and many new benefits and forms of coverage have been introduced.

Among the various factors responsible for the development of life assurance, credit must be given to the agency system which had its origin on this continent. Life assurance has to be sold. It is seldom bought. The agent in his endeavour to give better service is constantly studying the needs of the public and many of the new features and plans of assurance introduced from time to time have resulted from suggestions originating with the field organization.

Stability and Strength

The growth of the business has been accompanied by the enactment of legislation having as its purpose the conduct of the business on a sound financial basis with fair and equitable treatment for policyholders. It is a significant fact, however, that most of these laws have merely incorporated the sound principles and practices of life assurance management previously developed and applied by the companies. They have resulted in a system of regulation which each year submits the operations of life assurance companies to the most searching scrutiny.

The stability and strength of the business and the high measure of public confidence which it enjoys are to be attributed, not only to sound management, but to sound legislation and supervision as well. An outstanding example of the results obtainable from this combination is to be seen in the record of Canada where it can be said that no Canadian company operating under Dominion license has ever failed to pay every obligation immediately it became due.

Benefits to Community

The development of life assurance affords a convincing illustration of the benefits that have accrued to the community from keen and healthy competition associated with reasonable freedom of action.

In the introduction of new features, the Sun Life of Canada has played a prominent part. Among these may be mentioned the introduction of the unconditional policy which granted world-wide coverage by removing all restrictions upon travel, residence and occupation. Our Company was the first on this continent to adopt the automatic premium loan feature. It was also the first to introduce a definite plan for the assurance of under-average lives on appropriate terms, a practice which later became general and has made the benefits of life assurance available to a large section of the public who were formerly denied them.

Assets $950,794,000

Our Company's progress in its early years was necessarily slow. At the end of 1900, after the completion of the first thirty years, the assets totalled only $10,487,000. From that point its growth was more rapid. By 1914, at the outbreak of the first world war, assets had increased to $64,188,000, and at the close of the war, 1918, had risen to $97,620,000. There followed a period of great business expansion during which life assurance experienced a remarkable growth. By 1930 assets totalled $588,734,000. Today, after a period which has witnessed the greatest business depression the world has ever seen, and which includes sixteen months of the present war, the assets stand at the impressive figure of $950,794,000.

I will now comment briefly on the main features of the Report.

Payments to policyholders and beneficiaries amounted to $94,173,000, exceeding the figure of the preceding year by $4,245,000. The distribution of these payments indicates the broad range of life assurance service. Of the total, $25,793,000 was paid in death claims to approximately 7,800 families, the average payment being about $3,300. Payments under policies that completed their endowment terms were $19,967,000. More than one-third of the amounts payable on death and maturity during the year were left with the Company to be distributed in the form of income. There are now more than 13,500 such contracts arising from claims of previous years under which the proceeds are being paid regularly. More than 18,000 annuitants, of whom 9,000 are over 70 years of age, received annuity payments totalling $10,228,000. The average of these annuity payments was about $600 per annum. Cash surrender values amounted to $17,977,000, and $14,507,000 was distributed in dividends to policyholders. Disability and other benefits made up the balance. Of the policy payments, 73% went to living policyholders.

During the 70 years of the Company's operations it has distributed $1,389,809,000 in benefits to policyholders and beneficiaries and at present it is disbursing on the average of $330,000 each working day.

New Assurances

The volume of new assurances secured in any year depends on many factors but it is always affected by the economic conditions prevailing and the strength of the agency organization. During the past year war conditions have created many disturbing influences, and although in some territories new business was larger than in the previous year, in others it was materially less. In Canada, Great Britain, South Africa and other parts of the British Empire, many members of our agency organization have enlisted for active service. Many others have become engaged in full-time war duties at home, and everyone is giving as freely as possible of his time to activities associated in one form or another with the war effort.

In the United States, which normally contributes about 45% of our new business, there was considerable reluctance in the early months of the year to place assurance with a Canadian company because Canada was at war. Sentiment, however, changed rapidly from the middle of the year onward with the consequence that, while the new business for the first nine months was substantially less than that of the corresponding period of the preceding year, for the last quarter of the year it showed an increase.

In the light of these conditions the year's new business which totalled $169,509,000 is very satisfactory. It was sufficient to replace all cancellations due to death, maturity and other causes, and to add $25,230,000 to the assurance in force, which has now reached $2,963,709,000. The number of individual policies, including certificates held by employees assured under the group plan, totals 1,224,000.

Disbursements $124,153,000

The total receipts from all sources amounted to $167,319,000, an increase of $1,283,000 over the preceding year. Receipts from interest, dividends and rents were $34,724,000 and profits realized from redemption or sale of securities amounted to $3,107,000. Taxes, expenses of management and the policy payments already detailed brought total disbursements to $124,153,000.

Assets increased during 1940 by $36,027,000, and have now reached the record total of $950,794,000. Government bonds are 21.5% of the total assets; municipal bonds, 6.9%; industrial bonds, 3.7%; railroad bonds, 3.1%; public utility bonds, 18.2%; preferred and guaranteed stocks, 1.6%; common stocks of industrial and financial corporations, 11.9%; common stocks of public utilities, 10.8%; mortgages, 4.7%; real estate, 2.5%; policy loans, 8.9%; and cash in banks, 3.0%. Other assets, composed of outstanding and deferred premiums, accrued interest, etc., amounting to 3.2% of the total, make up the balance.

Effect of War

Now that we are in the throes of a second world war, the question uppermost in the minds of many people is the effect of the war on the mortality experience of the Company. In my last annual address I described the steps we had taken to provide for the war risk by inserting suitable clauses in all new policies issued to residents of countries that are at war. I pointed out that only a small part of the Company's business is in the actual theatre of warfare and that, although it operates on an international scale, it has no business in Continental Europe and only 13% of its business in Great Britain.

Of the total assurances in force, 94% is in Canada, Great Britain and other Empire countries, and the United States, while 97% of its investments are in these countries.

I referred to the experience of the Company during the war 1914-1918 and I ventured the opinion, giving my reasons therefor, that the extra claims resulting from the present conflict would probably be less in relation to the total assurances now in force than during that war. A summary of the death claims in 1940, arising directly or indirectly from the war, will therefore be of interest.

War Claims Small

During the year the total of all such claims was $495,859 on 119 lives. Of these 80, amounting to $289,072, occurred among the armed forces; 15, amounting to $146,055, among civilians who lost their lives through the sinking of ships by enemy action; and 22, amounting to $58,346, resulted from deaths of civilians in air raids over Great Britain. The total amounts to only 2% of all death claims incurred during the year.

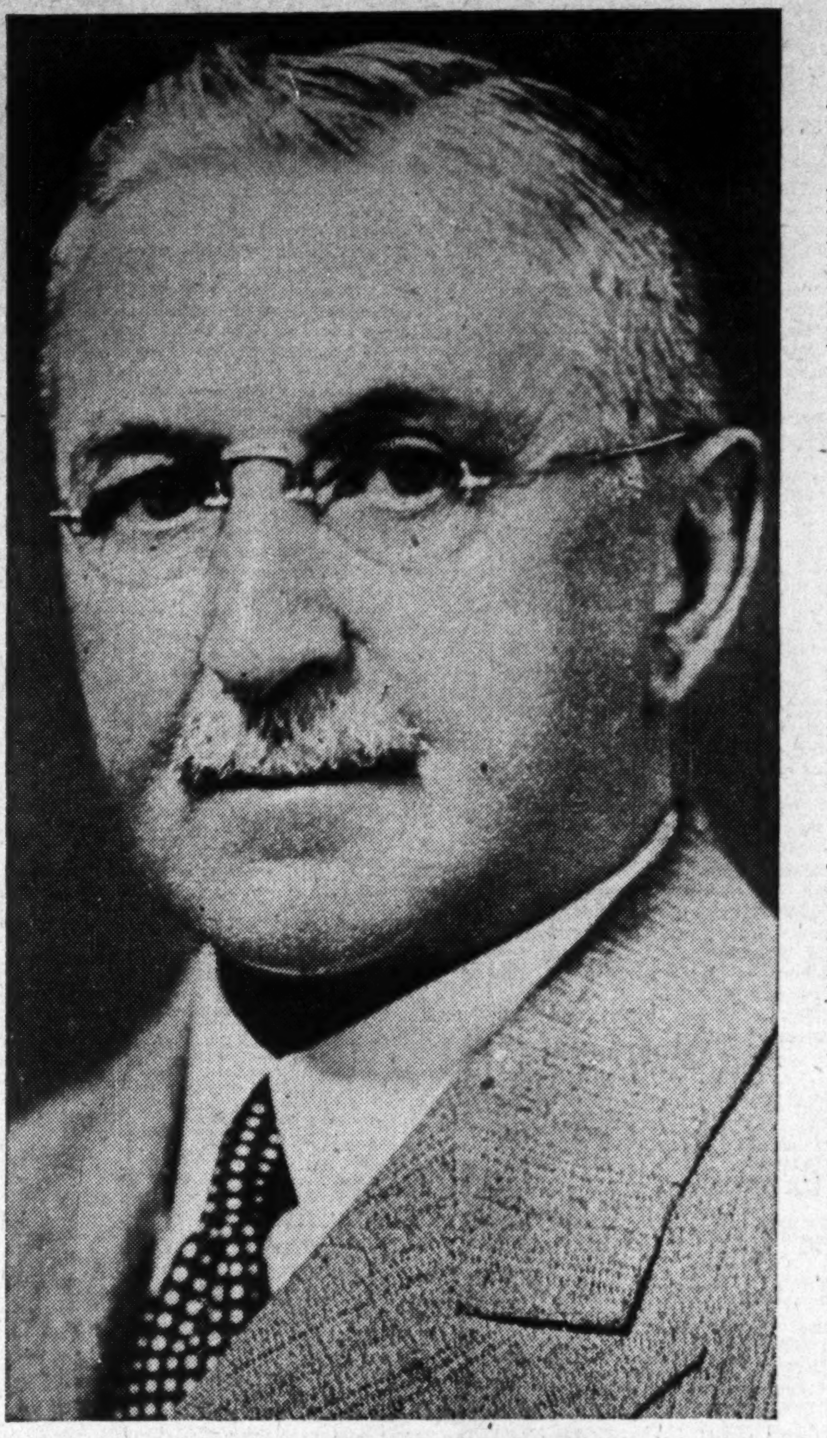
By comparison, about 9% of total claims incurred each year in the normal course of business are due to accidental causes. Automobile accidents alone account for about 4% of all claims. As a further indication of the slight effect of war thus far, it may be mentioned that in both Canada and Great Britain our mortality experience including all claims resulting from the war was actually more favourable than the experience in the United States where there were no war claims. All death claims on the entire business of the Company were only 56.8% of the amount provided for that purpose.

Interest Rates

Probably the most difficult problem of life assurance management under present day conditions is the investment of the Company's funds in sound securities yielding satisfactory rates of interest. The problem is not confined to the investment of the annual increase in assets and the reinvestment of the proceeds of securities which mature, but many issues are being called for redemption before their maturity dates to be refinanced at lower rates of interest.

The volume of new capital issues, with the exception of Government Bonds, continues to be very restricted and the yields on practically all classes of investment have decreased further during the year. During the 10 year period ending 1939, the average rate of interest earned by life assurance companies in the United States has fallen by 1½%. This general decline in interest rates has been reflected in lower surplus earnings and an increase in the cost of life assurance in recent years has been unavoidable.

In our Company the reduction in the interest rate last year was comparatively small. The rate realized in 1940 was 3.96% as compared with 4.02% in the preceding year. This favourable rate is attributable to the diversified character of the assets and the earnings on common stocks.



Arthur B. Wood, President and Managing Director, The Sun Life Assurance Co. of Canada, who presided at the seventieth annual meeting of the company held at the head office, Montreal, on Tuesday, February 11th.

Mr. Wood reported that the company now has almost three billion dollars of life assurance in force covering almost a million and a quarter individual policies and group certificates. New assurances secured by the company in 1940 totalled $169,500,000.

During its 70 years of operation the company has distributed almost $1.4 billions in benefits to policyholders and beneficiaries. At present these disbursements average $330,000 each working day.

The total surplus earnings of the Company during 1940 amounted to $23,570,000 as compared with $24,107,000 for the preceding year, a very gratifying result under present day conditions. Approximately 60% of the total earnings was allotted for the payment of dividends, a substantial sum set aside to increase various reserves, and the balance applied to the writing down of values at which assets are carried. The combined surplus and contingency reserve is $28,118,000.

Distribution of Surplus

In times like the present when conditions make it difficult to forecast the trend of future experience with any assurance of accuracy, the responsibilities of those charged with the management of life assurance companies are unusually exacting. The security of the policyholders is of primary importance and the building up of strong reserves must be given precedence over all other considerations.

This policy of conservatism in regard to surplus allocation, under which a substantial proportion of the earnings is retained for building up reserves, is being observed generally by life assurance companies and consequently reductions in dividend scales are commonly being made. In the light of the continued decline in interest rates, the likelihood that low rates will prevail for an indefinite period, and the uncertainties of the general economic outlook, our Company has decided to adjust its dividend scale so that it will reflect present conditions and trends more closely.

Tribute to Staff

This review of the year's operations would be incomplete without a tribute to the splendid work of the staff and field representatives at Head Office and throughout the many territories in which the Company transacts business. The war has imposed new burdens upon all and these have been cheerfully borne and efficiently discharged. Up to the present time 285 members of our Head Office and branch office staffs in Canada and other parts of the British Empire have enlisted and are now engaged on national service. This is almost 20% of the entire male staff in Empire countries. Of these, 173 are from the Head Office in Montreal, 83 from the Administrative and branch offices in Great Britain, and 29 from branch offices in Canada and other parts of the Empire.

The remaining staff has willingly assumed added duties and has thereby made it possible for the Company to hold open the positions of those who have gone, until they return. The majority of the staff besides attending to their ordinary duties are giving a considerable part of their time to various war activities.

In addition many members of our field organization have enlisted in the various services. The part played by the British Division is worthy of special mention. At the beginning of the war we had in Great Britain 405 managers and representatives. Over 160 are now in the army, navy and air force and 110 others are doing regular part-time defence duties. It is gratifying to report that a considerable number of our men have received promotion since joining the ranks.

Our pride in the splendid response to the call for national service is accompanied by feelings of deep sorrow in the loss of several who have made the supreme sacrifice. It is a pleasure for me to record our appreciation of the loyal and efficient service of our entire organization.

Place of Life Assurance

It is particularly gratifying to mention that we have on our Board a number of Directors who are aiding the Government in important capacities associated with the war effort. Invaluable service has been rendered by Sir Edward W. Beatty as the representative in Canada of the Ministry of Shipping of the United Kingdom. The distinguished services of the Rt. Hon. Arthur B. Purvis as Chairman of the British Purchasing Commission in the United States has received acknowledgment from His Majesty the King by his appointment as a member of His Majesty's Most Honourable Privy Council. He was recently appointed Chairman of the British Supply Council of North America and associated with him as Vice-Chairman is another of our Directors, Mr. Morris W. Wilson. Mr. Wilson is also the representative in Canada and the United States of the Ministry of Aircraft Production of the United Kingdom.

I wish now to make a few brief comments on the important place life assurance occupies in the national economy. Life assurance is essentially an organization based on the principles of thrift through which policyholders in their earning years are enabled to set aside a part of their incomes to make provision for the inevitable time when their incomes cease. Their savings flow into the life assurance companies in the form of premiums, creating funds which must be conserved and accumulated to provide policy benefits as they become due. With the growth of the business these funds have become the greatest single source of long term capital. They are loaned to governments, to industrial organizations, and to individuals, and thus play a most important part in national and industrial progress.

In wartime, life assurance funds perform an even more vital service. The raising of money adequate to provide for the huge expenditures which national defence and the successful prosecution of the war entail, is one of the most exacting problems of government.

In Canada the life assurance companies are investing in government loans the greater part of the income from their Canadian business which in normal times goes to finance peacetime ventures. Two war loans were floated in Canada during the past year and in both cases our Company was the largest single subscriber.

In the United States, now embarked on a vast programme of rearmament, life assurance companies are among the largest purchasers of government securities. Thus the premiums of policyholders do double service, for while providing protection for dependents they make a material contribution to war and defence programmes.

War Savings Campaign

In other ways, too, life assurance companies in Canada, through their widespread and efficient organization, have been able to perform various services of national importance in wartime. When the War Savings Certificate Plan was introduced, it was desired to contact immediately all employers throughout the country and to arrange a systematic programme of saving among their employees. For this task there was no more suitable organized body of men than the sales forces of the life assurance companies.

So it was that executives of the life companies were loaned to the government to set up the central organization, while life assurance representatives throughout the country freely gave their time to canvass more than 10,000 corporations and to assist them in the adoption of appropriate methods of collecting the savings of their employees.

The Hon. J. L. Ilsley, Minister of Finance, in a recent letter of appreciation to the life companies, commented as follows:

> "The Employer-Employee plan which they undertook to promote is the most productive source of revenue to the War Savings Committee and is bringing in substantially over half of the applications and approximately fifty per cent of the money returns."

On the foundations thus laid a nation-wide campaign to increase the scope and effectiveness of the plan has been launched by the Government and is now in progress.

I wish to offer a word of commendation of this programme. As Canada's war effort increases in momentum, the cost of the conflict makes ever greater demands of the nation. Consequently it becomes increasingly necessary for every Canadian citizen to accept his share of the burden by sacrificing many of the luxuries of ordinary life which he has hitherto enjoyed. To serve this patriotic end, it is not only necessary to reduce non-essential expenditures, but also to save to the utmost cent. By loaning his savings to the Government, every Canadian can make a material contribution to the successful prosecution of the war. Life assurance companies and their representatives may be counted on to render every possible aid to the compaign.

We Are Not Alone

Since I last had the privilege of addressing you, we have witnessed a remarkable but not surprising reaction against the forces of evil which are attempting to dominate the world, a reaction which expresses a growing resentment of free men and women everywhere to domination by the unreasoning brutality of dictatorship.

Great Britain, Canada and the other British Dominions are not alone in this war against Naziism. To-day we are encouraged by the vital contribution being made by our neighbouring democracy to the great cause of human liberty. The American people are with us in realizing that Britain stands as the front line of defence of the ideals we equally cherish and of all things we hold dear. By the help in supplying munitions, ships and airplanes, by gifts from individuals and groups of citizens, by the generous sympathy and succour extended to refugees from stricken lands, the United States has made known clearly to the world where she stands in this titanic struggle. The legislation now before the Congress of the United States is a practical expression of the desire of the American people to render the fullest possible aid to the allied cause.

The Nazi threat to the democracies has served to emphasize the identical aims and interests of Canada and the United States. The undefended boundary line between our two countries bears striking testimony to the close cooperation which has existed through so many generations, the most practical demonstration of international common sense the world has ever known.

In looking forward to the months that are ahead, our thoughts naturally are focused on the war and its successful prosecution. Let us then with confidence and determination devote ourselves to the utmost of our ability to the defence of those principles which have given us that liberty which we now possess.

HIGHLIGHTS FOR THE YEAR 1940

New life assurance policies paid for during the year numbered 53,403, for an amount of $169,508,809, of which $131,336 was reinsured.

New annuity contracts paid for numbered 2,828, and provide for immediate annual payments of $418,458, and deferred annual payments, to commence at fixed retirement ages of $1,815,327.

Life assurance in force at December 31 amounted to $2,963,708,831, represented by 886,686 individual policies and 337,374 certificates of assurance on the lives of employees of firms and corporations under the group plan; of this amount $27,671,545 was reinsured.

Individual annuity contracts in force numbered 37,394, and in addition retirement benefits for 35,893 employees are provided for under group annuity plans. Current annual payments under these contracts amount to $10,437,369, and deferred annual payments to $22,300,101.

Premiums paid by policyholders amounted to $111,594,954. The income derived from investments amounted to $34,724,096. Total receipts for the year from all sources were $167,319,247.

Total disbursements were $124,152,838. The excess of receipts over disbursements was $43,166,409.

Payments to policyholders and beneficiaries during the year amounted to $94,173,482, of which $14,506,783 was in respect of dividends on participating policies.

The total payments to policyholders and beneficiaries since organization amount to $1,389,808,554.

The rate of interest earned on the mean invested assets was 3.96 per cent.

Death claims incurred during the year amounted to 56.8 per cent of the amount provided for that purpose.

The assets are carried at their book values and now stand at $950,794,367.

Policy liabilities have been valued by the full net level premium method.

The surplus earned during the year, including the item of $3,107,031 realized from redemption or sale of ledger assets, amounted to $23,570,292. After making provision for dividends in accordance with the basis in force, the balance has been applied to the further strengthening of reserves and writing down of values at which the assets are carried.

The reserve maintained for contingencies is $10,000,000.

The surplus over all liabilities, capital stock account, and contingency reserve, amounts to $18,118,208.

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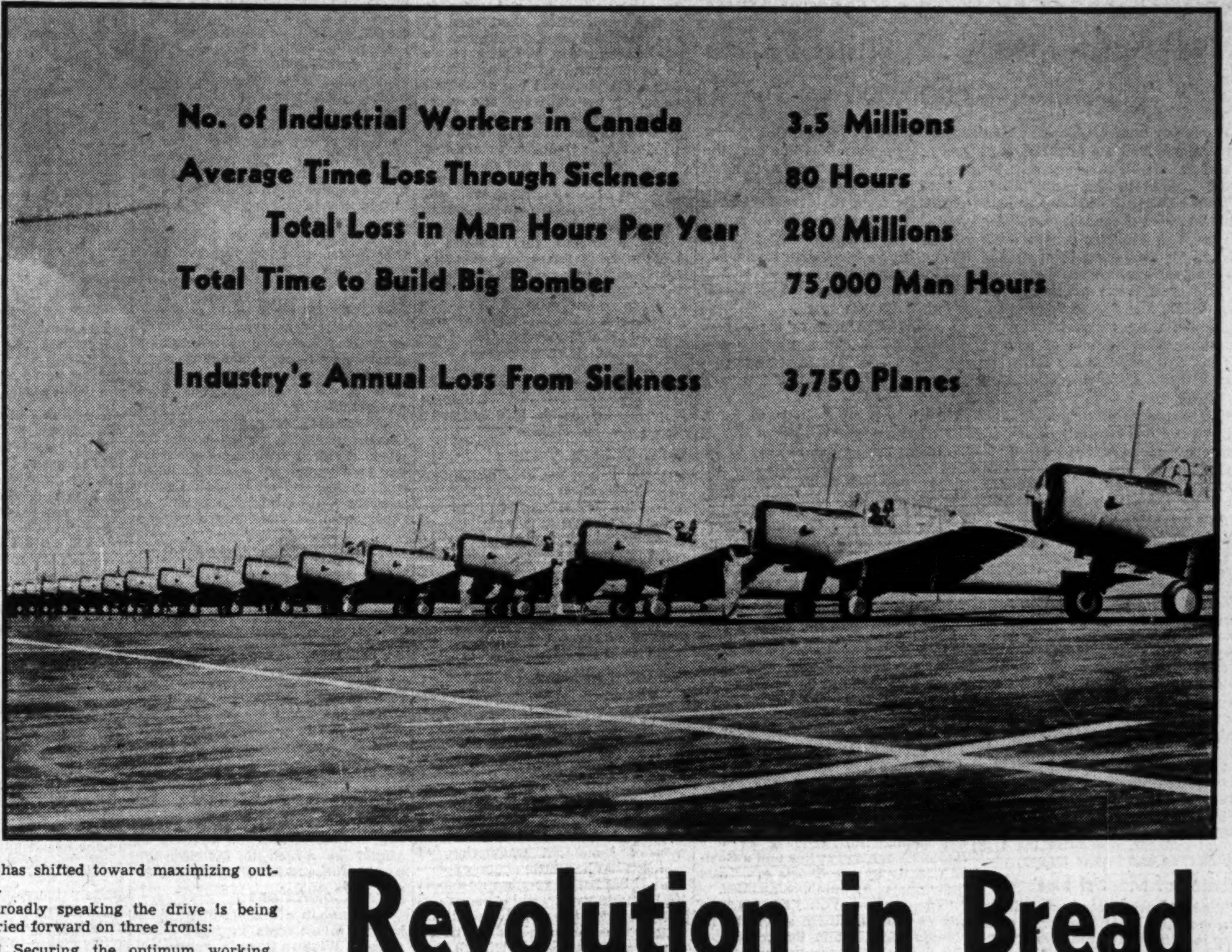
Lost – 3,750 Planes



No. of Industrial Workers in Canada	3.5 Millions
Average Time Loss Through Sickness	80 Hours
Total Loss in Man Hours Per Year	280 Millions
Total Time to Build Big Bomber	75,000 Man Hours
Industry's Annual Loss From Sickness	3,750 Planes

Time Off for Preventable Sickness Costs Industry Staggering Total

By W. BRUCE MacKINNON
Staff Writer, The Financial Post

If the time that will be lost to Canadian industry through sickness could be set to work in a modern aircraft plant, Canada would produce something like 3,750 big bomber planes in 1941.

Figure it out. The "average" Canadian worker loses nearly 80 hours a year through sickness. In 1941 there will probably be some 3½ million wage earners employed in Canada. They may lose up to 280 million man-hours of work, and it takes 75,000 man-hours to build a fighter plane.

Looked at from the employees' angle, that 80 hours or 10 days sick leave is going to cost Canadian workers over $100 millions in wages. The income lost will be about equal to the $120 millions now being set as a war savings objective.

Those unborn bombers and missing millions will be lost if sickness takes an average toll. If an epidemic breaks out the losses in money and production will easily double or treble.

Flu Hits Production

Up to now the flu and grippe crop of 1941 is not rated as an epidemic by public health authorities. The current flu is not even classed as genuine influenza. But there's a catch in this because the only practical way of determining the character of influenza is by its results. The wave that has swept from west to east across the United States and is now travelling from east to west in Canada is not labeled as genuine influenza largely because there has been no increase in the death and pneumonia figures.

Whatever you call it, flu is causing the greatest time loss in several years. For example, 2,500 out of 7,000 employees in the Winchester Arms plant and 1,000 workers at the United Aircraft plant were recently absent from work because of sickness. Similar stories come from Canadian plants, particularly those working under pressure to complete war orders.

Employees of an Ontario plant which tried to maintain peacetime production along with output of war goods, suffered so heavily from flu that the entire plant had to be shut down for a week at the end of 1940. Two Toronto firms report absences running three times the rate of a year ago.

To most laymen, health in industry calls up visions of silicosis, industrial accidents and compensation boards. Actually, accidents are only 10% as great a cause of time losses as ordinary sickness.

Occupational diseases and accidents are concrete problems that can be measured and fought against by specific methods, whereas run of the mill sickness is difficult to control. Few figures on the subject are available and what figures there are apply to individual firms or industries. More is known as to the cause and remedy of general sickness in industry in the older established trades than in some of the newer lines that have sprung up with the war.

An example is the meat-packing industry.

The obvious importance of avoiding illness among workers in a food industry, combined with periodical spurts in activity caused the meat packers to be among the first to study the effects of illness and fatigue on workers. The word "fatigue" should be underlined. When the packing companies have had to work under pressure for any lengthy period they have found that fatigue has caused greater losses in spoiled goods than absentee workers bring in lost production. A tired skinner can spoil enough hides in a few minutes to wipe out his day's production value to his firm.

Packers Study Fatigue

The meat packers found that 48 hours a week is the maximum working time if the worker's health is not to suffer. Raise the weekly time to 55 hours and illness will begin to show itself after a month or so. In a spurt, a man can work 70 hours a week, but if this rate is prolonged more than a week or so, illness appears immediately. Before the 70-hour worker takes to his bed, his output has dropped at least 5% and he has cost his firm even more than this in spoiled work. Once a man gets run down in health it takes four or five months at normal working rates before he regains his former productiveness.

The effects of fatigue and its follower, illness, are well known in England. Last May, when England was beginning to think that Hitler had caught the bus after all, all working time restrictions were taken off industry in the effort to rebuild the equipment that had been lost in Flanders. By July the restrictions were put back into effect again. By August additional restrictions were imposed. Plants are still going seven days a week, but no employees.

England was quick in World War II to learn a lesson that was absorbed slowly and painfully in World War I. Before 1914, the "human factor" was an uncoined phrase and an unknown quantity. In 1915, the Health of Munitions Workers Committee was formed, and this committee functioned throughout the war, later to become the Industrial Health Research Board. By the time the war broke out, the Board had carried its research into all the major physical and even mental problems of a worker's health.

How Production Suffers

Here are some of the English board's findings:

Poor ventilation in a steel plant reduced output 12% in the hot weather.

The cost of hot, damp, sluggish air in a coal mine was 41% reduction in output, a jump of 63% and higher in sickness absences.

Short rest pauses in monotonous work raised output per worker as high as 10%.

Women in industry are more susceptible to illness than men, when overtime work is performed. The weights lifted by women should be restricted to 40% of the lifter's own weight.

Noise was found to be a cause of production loss. In loom work output rose 8% when the employees were supplied with ear plugs.

The object of all this scientific appraisal of human frailty was the improvement of the worker's lot. Efficiency was seldom a major goal and was used principally as a measure of the worker's well-being.

Today the position is reversed. The drive to improve the health and happiness of employees in 1941 is identical with that of previous years as far as employer and employee are concerned, but for the country as a whole the emphasis has shifted toward maximizing output.

Broadly speaking the drive is being carried forward on three fronts:

1. Securing the optimum working time, speed and conditions of work.
2. Early diagnosis and preventive treatment to forestall illness.
3. Provision of medical attention to keep sickness absences to a minimum.

Providing optimum working conditions is one of teamwork between public health men and plant managers. Industrial hygiene sections of the public health departments are available for consultation by plant managers on questions of ventilation, hours of work, lighting,

(Continued on page 17)

Revolution in Bread

By KENNETH R. WILSON
Staff Writer, The Financial Post

It is called thiamin.

It looks very much like fine table salt.

Four years ago an ounce of it would have cost about $20,000. Today it costs $28 in the U.S.A., about 50 per cent. more in Canada. Tomorrow it will probably cost $2 or $3.

Thiamin is the chemically pure form of what most of us know as vitamin B_1. It is a white crystalline substance, indistinguishable from white flour when mixed with it. It is derived from coal tar and was isolated by a chemist, Dr. R. R. Williams of the Bell Telephone Laboratories in 1936.

Thiamin is hailed as the most revolutionary innovation in flour milling since the introduction of the roller mill 75 years ago. It holds promise of new health and energy for war-worn peoples. It may, eventually, boost Canadian wheat and flour consumption and bring more sales and profits to Canadian milling and baking companies.

These are exciting claims. They are claims worth looking into. Let's begin a little nearer the beginning and see what this thiamin business is all about.

Vitamin Deficiency

The starting point in the thiamin saga is the fact that scientists and nutrition experts have now established beyond question a vitamin deficiency in even "normal" North American diets. This is no crackpot faddishness. It is a well-substantiated scientific fact.

This deficiency is especially true of thiamin or B_1. Other minerals and vitamins are of course important, but getting the right amounts into our daily diet seems to be easier than getting plenty of thiamin cheaply and easily. (The name thiamin is rapidly replacing the term B_1.)

For one thing, the human body cannot store up thiamin. Each day's foods must supply the body's needs. What that need is is still not quite clear. It varies by age, sex, type of job. Most of us need more than we are getting and there is no fear of taking too much. In terms of the common vitamin yardstick, "international units," the present recommendations for daily intake range from 200 I.U. to 900 I.U. for the average adult. Nutritionists now lean toward the higher figure.

Why do we need thiamin?

Thiamin has several functions. It has to do with the health of the nervous system. It is essential to growth. It plays an important part in the maintenance of appetite. It is necessary to the body's utilization of carbohydrates.

Thiamin and Energy

We hear a lot about foods such as bread being "energy" foods. But energy value in food depends on one's ability to get the energy out of the carbohydrates. If there isn't enough thiamin you don't get the energy. A leading U.S. nutrition expert puts it this way:

> "Vitamin B_1 is needed to help the system in burning the carbohydrates. If you don't have enough of it it is very much like having a smudge fire, where there isn't enough oxygen to allow combustion of the material. And if you don't supply with your carbohydrates enough of this catalyst which helps to burn up the carbohydrate then you have a smudge and then you have this abnormality which is called B_1 deficiency."

In the old days, when stone mills were in use, there was plenty of thiamin in wheat flour. The wheat kernel in its natural state is rich in thiamin. But when modern rolling methods were introduced and smooth, cake-like bread flours introduced, thiamin content dropped to a small fraction of what it was before because much of the original "roughage" was milled out. Since Canadians consume perhaps 25% of their calories in the form of wheat this was an important loss although it is only very recently that the extent of this loss in terms of health values has been realized and appreciated.

Of course, brown or "whole wheat" breads contain most of the precious health-giving substances which are lost in the making of silky-textured white flour. But many people do not like brown bread. In fact there would not be anything like a billion pounds of bread consumed annually in Canada if there were only brown bread to eat. The most tasty and palatable bread to nine out of every ten Canadians is bread made out of pure white flour—flour from which most of the thiamin has disappeared. As one expert puts it:

> "The great mass of consumers don't buy bread because of vitamins. They buy it because of taste and flavor. Ninety per cent. of sales are on flavor and 10 per cent. on vitamins."

Just as the experts have confirmed the need for thiamin, scientists have perfected ways and means of adding this vital ingredient easily and cheaply to white flour. We are now going to be able to have our white bread and our vitamins too.

The universal flour of tomorrow—a flour which has already "arrived" in many parts of the continent—is pure white and fine in texture. Yet it contains a full rich quota of thiamin and other vital minerals.

How it is Added

How is this going to be done?

There are several alternatives for introducing a full quota of thiamin into white flour. Each of these may be used separately or in combination.

1. By adding an infinitesimal pinch of pure thiamin crystals to each barrel of flour.

This is the plan now receiving most attention in the United States. It is the plan officially adopted in England.

2. By using a new high-vitamin yeast.

(The Barker-Bredin Bread Co in Toronto announced only last week a new vitamin-rich loaf made in this way.)

3. By milling the wheat at a longer extraction so as to retain much more of the bran and germ which are rich in vitamin. (The trick here is to so adjust the milling process as to avoid any discoloration. Flour treated in this way usually goes off color, which spoils it for white bread of the type generally in demand today.)

4. By putting back into the flour some of the nutritive, nutty-flavored wheat germ.

This alternative is limited by the fact that only a small amount of wheat germ can be added without spoiling the dough.

Traditionally, the medical profession and indeed the millers and bakers themselves are strongly opposed to any artificial "fortification" of a basic foodstuff such as flour. If someone wants a health food (it is argued) let them buy special flour or special health bread.

But "hands off" the regular article.

That viewpoint may still be tenable in the highways and byways. It is no longer tenable in the best medical and nutrition circles.

Endorsed by Council

The Council of Foods of the American Medical Association has now gone on record as endorsing the restoration to staple foods of substances removed from such foods in their processing. It has also gone on record as recommending the fortification of certain foods where such fortification is clearly in the interest of public health.

This is a complete reversal of the attitude taken by this body until very recently.

Similar approval would probably now be given by the comparable organization in Canada if such an opinion were sought. This does not mean that the rank and file of doctors have as yet approved such action. It does mean that the top-flight "experts" are heartily behind such proposals as the "enriching" or "fortification" of white flour.

It shows the way the thiamin whirlwind is blowing.

For one thing, it is better to get vitamins from food rather than from pills, capsules, drugs or similar products. Few patients will continue to take pills for any great length of time. As Amos (of Amos and Andy fame) remarked when he was told to take one pill three times a day: "You can't do that."

Since wheat is one of the most common and basic of all foods and since it originally contained a rich supply of thiamin, it is considered the best and most natural carrier for a programme of this sort.

How Soon Will it Come?

There remain one or two important questions:

"How soon can we expect all white bread to be 'supercharged'"?

"How much extra, if anything, will this 'dream flour' cost?"

Great Britain has given an answer to both these questions.

Last July the Government announced that it was prepared to make "fortified" flour compulsory across the length and breadth of the land and furthermore that it would meet the cost out of the public purse.

This was done because of a realization of the immense importance of an adequate daily vitamin supply for peoples subjected to heavy strain such as the war has inflicted.

Temporarily there has been a hitch in this plan. It was hoped that adequate supplies of thiamin would be available by Jan. 1, 1941, to meet the nation's need. The order has been postponed until about the middle of 1941, necessitated, according to the authoritative milling journal Northwestern Miller, "presumably by problems of vitamin manufacture and of processing within the milling and baking industries."

U. S. Experience

In the United States, some 23 flour mills are reported as having already turned to the manufacture of fortified flour by use of a "premix." By the end of last year between 1,000 and 2,000 bakers, chiefly in the middle and western states, were advertising vitamin loaves. The really nation-wide development awaits new rulings of the Federal Food and Drug Administration which has been investigating the whole matter very fully. Meanwhile a nation-wide crusade along the "Nutrition Front" is being planned by combined forces of government, millers and bakers.

One U.S. estimate of the added cost of using vitaminized flour or yeast says it amounts to one tenth of a cent for a pound loaf of bread.

In Canada, high-vitamin yeast of Canadian manufacture has been available now for the past three or four weeks. As already stated, the Barker-Bredin Co. in Toronto announced a new loaf made with this ingredient, only last week. Other bakers in Canada have already marketed or are planning to market a similar product.

Last week at Ottawa, members of the new National Council of the Canadian Bakers Association held a conference with Dr. L. H. Newman, Dominion Cerealist, in order to bring themselves up to date on the subject. Dr. Newman and his staff have been conducting intensive research on the problem in recent months in the belief that any general, nation-wide improvement in the health properties of white bread will be of great value not only to citizens at large but also to Canadian farmers.

After the conference a statement was

(Continued on page 16)

Canada Looks South

Cuba—The Caribbean Headache

This article concludes the series on individual Latin American countries. In the next few weeks, however, Mr. McEachern will contribute at least three more special articles dealing with the South American picture as a whole.

By RONALD A. McEACHERN
Staff Writer, The Financial Post

R. A. McEACHERN

HAVANA, CUBA.—"Let us glance behind as we look our enemy in the face and be prepared to spring in the opposite direction."

Those recently spoken and immortal words of confusion aptly illustrate the current situation in Cuba.

For Cuba is very anxious to be going somewhere, but just where is another matter.

Right now, Cuba wants to go to Washington. There have been long watches on Uncle Sam's doorstep in recent months, hands outstretched for a $50 millions loan.

But Cuba for the Cubans—rich American tourists excepted—is the Batista war whoop and that leads to complications all down the line.

Geography is basic to the situation here. Cuba is only 90 miles from the United States. What happens here is of the utmost concern to United States.

And because Cuba is in this position of intimacy with the United States, and because it is also Latin America, what goes on here is of the utmost interest throughout the entire south.

When Uncle Sam is open-handed and smiling toward Cuba, the whole south tends to get the impression he is smiling for everybody. But if he frowns and hints that he may find polite pressure necessary, the whole south immediately sees the claws of "Yankee imperialism."

That's one factor that complicates Cuban affairs.

Another is the new constitution which went into force only in October of last year. The constitution is a political speech rather than a code by which a country is to be run. It is made up of very fine pronouncements on almost everything. But despite the long months the constitution-makers took at their jobs, whenever they came to difficult problems they dodged them by providing that legislation on these points would be passed some time in the future. That leaves a good many things up in the air.

The big immediate problem in Cuba is sugar, the abortive revolution last week notwithstanding. That part of the world which can buy sugar has too much. Old markets are closed. Sugar is what Cuba depends on for its livelihood. The blow hasn't fallen yet, but everybody here is already hearing the heavy, shuffling tread of depression.

A few notes about Cuba itself.

It is an island of four million people, about one tenth of them living in Havana; a great many of the rest clustered in small towns and villages throughout the interior. The Cubans are perhaps the most club-conscious people on earth. Every crossroads has its club. The church is said to be less influential here than in almost any other Latin American country.

Perhaps half the population is pure white or almost pure white. The original Indian residents have completely died out. The black influx came from Haiti and Jamaica. Colored population is officially rated at 27%. Spaniards are the largest white foreign element, about 614,000. They are mostly in trade and form the backbone of the business community. The island has also a large colony of southern and central Europeans, some Jews and a resident group of perhaps 15,000 Americans.

Since the war, Cuba has been one of the big havens for European refugees, most of them aspiring to get into the United States. There are an estimated 3,000 of them on the island now.

Sugar is king. Soil, climate and social conditions make this one of the cheapest places in the world to produce it. Sugar accounts for 80% of total exports. Tobacco comes very much second with about 10%. The rest is made up of minerals such as chrome and molybdenum, and a varied list including hides, sponges, fruits and vegetables.

Tourist and Politics

Tourists are the third biggest industry. The Americans smitten with wanderlust can "go abroad" and "see life" faster and cheaper here than anywhere else. And most of them come to this smallish city of Havana. Result is that there are two Havanas. One is the Havana of the people who live here, a city of extremely narrow streets, three-foot sidewalks, buildings jammed in any way. Unlike the remade cities of South America, there seems to have been no material change in Havana's business section in the last 200 years. It is quiet and rather "small town."

The other Havana is the mock-up, the Havana desperately trying to be the dream city of romance and sin imagined by the tourist.

Politics is the main national sport. Students at the university led the revolt against Machado. Because some of them had a spell of prison life, and have now graduated into government positions, some Cuban prisons, especially one for women, have been reported as being very well run. As in other Latin American countries education has been almost entirely concentrated on turning out lawyers and doctors, in both of which the country has an oversupply. According to an American survey, a Cuban B.A. would probably find himself in the freshman year at Harvard.

A Four-hour Day

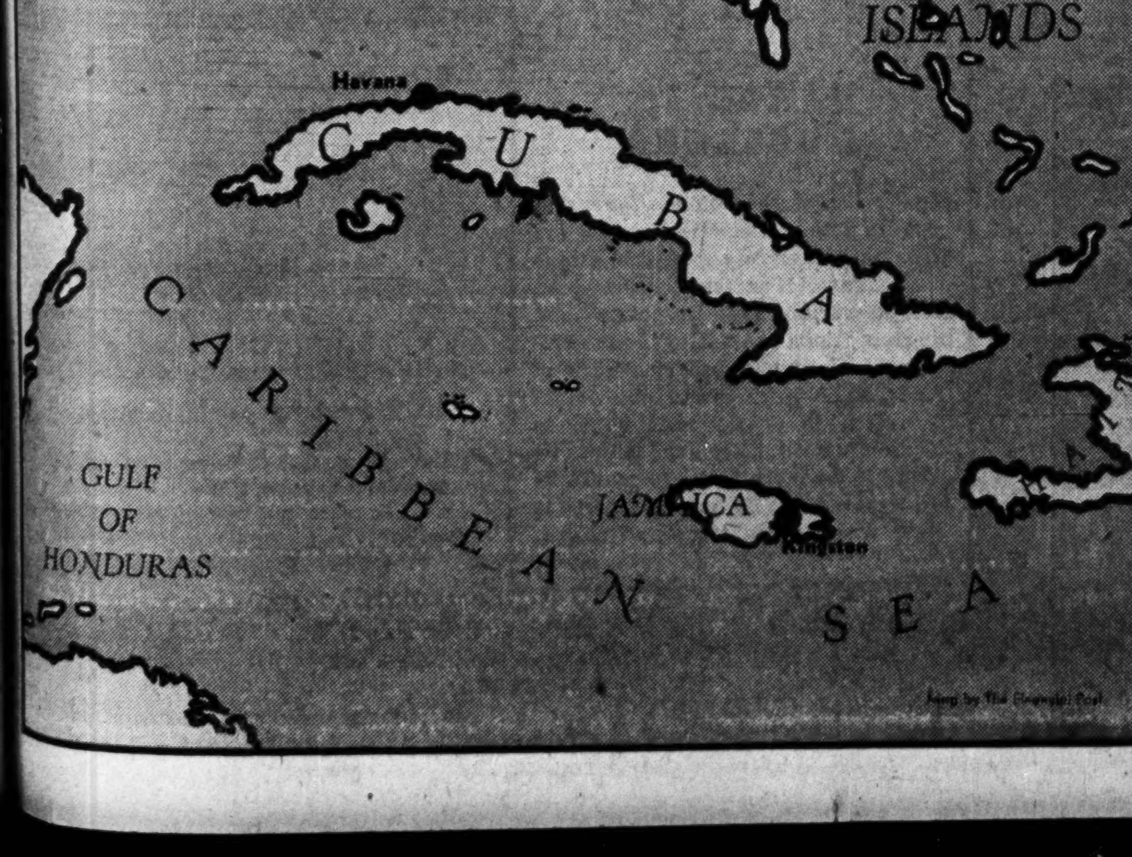
Legal training is usually preparation for a government post. To set an example as benevolent employer, and especially to find some semblance of occupation for a vast number of retainers, government office hours are officially 8 a.m. to 12 noon.

Gambling is one of the big local industries. Cubans who do save money too frequently send it out of the country for investment. About the only local investment currently popular is real estate. A 10-year relief from all taxes for new housing has helped create a major building boom.

Cubans dress well. Nearly all the population wear shoes, which is a record for the south. About half are literate. Because the family is such a strong and meaningful institution, cases of dire want are uncommon.

I came in the back door of Cuba and found it a gracious, kindly looking country. I left Port of Spain, Trinidad, by one of the stratoliners and arrived at the

(Continued on page 20)



War Changes Emphasize Value Skilled Estates Administration

Progress Reported by Toronto General Trusts at 59th Annual Meeting . . . Estates Business Increases $3,000,000

The heavy burden placed on the Canadian economy in adjusting to new war demands and the importance of trust company services in aiding the adjustment were stressed by A. E. Phipps, president of the Toronto General Trusts Corp. at the 59th annual meeting of the corporation last week.

"Industrially, Canada has progressed rapidly from the very beginning of the war, due to the fact that in most branches of our industrial organization there was surplus productive power waiting to be utilized," said Mr. Phipps. "We are at the beginning of an expanding cycle and its immediate and short term effects are naturally beneficial."

"Employment has greatly improved. The general index of employment is up no less than 9%; in manufacturing industries it is up 17%."

Against these beneficial changes, Mr. Phipps pointed to the strains imposed by the expansion of industrial equipment, the difficulty of entering into activities new to the Canadian scene, the re-alignment of external trade and foreign exchange practices and over all, the burden of financing the entire effort.

"As maximum production is reached in all lines, any further expansion in the war effort can only be achieved by a reduction in the production of consumers' goods so that more industrial plants can be turned over to the production of war materials. To reduce the demand for consumers' goods by Canadians generally, all surplus income will have to go into war savings and war loans," Mr. Phipps stated.

Turning to the $3 millions increase in the estate business of the Toronto General Trusts Corp., the president attributed the increasing reliance of testators on the services of the company to the mounting complexities of wartime restrictions.

"A glance at our Foreign Exchange Control regulations, our new income tax on securities, or, to look in another direction, at modern investment problems, show how much care and knowledge is necessary to the successful administration of any estate. Every detail nowadays must fit accurately into the complex pattern of our financial and governmental systems, otherwise there is loss of time and loss of money.

Estates of Modest Size

"We still have to contend with the misconception that the trust company is an instrument for the preservation of large estates. This is far from being the truth. Size is not the governing factor in whether an estate needs the services of a trust company; this is more a matter of the particular circumstances of each case. But we may say that the great majority of estates of modest size will benefit from the continuity of management, the group judgment, the wide sources of information and technical knowledge which a trust company such as our own can bring to their administration."

Mining in Canada

Charles McCrea, K.C., vice-president, whose address followed that of Mr. Phipps, emphasized the important contribution which mining is making in the present war. Value of mining production in the first year of the war is estimated at over $500 millions compared with $129 millions in the first year of the great war. Over one-half of 1940 production came from mines in Ontario, Mr. McCrea stated. Many of these mines have benefitted from the services of the Toronto General Trusts Corp. in the form of stock transfer and registry services, dividend disbursing agencies, etc.

Wheat Production

Canada's role of arsenal in the war should not obscure the Dominion's continuing importance as the larder of the Empire, W. G. Watson, general manager of the company, stated. Estimating the wheat carryover at the end of the current crop year at some 576 million bushels, Mr. Watson emphasized that this situation should not be allowed to bring a reduction in our capacity for producing wheat. The risk of a shortage of supplies for the Empire and its democratic allies, to say nothing of the hungry world which may need to be fed at the conclusion of the war, would become a probability in the event of a year or two of poor crops.

The remarks of A. E. Phipps were, in part, as follows:

PRESIDENT

"With the events of last year still fresh in your minds, I need not refer to the difficult days through which we are passing. In these uncertain times it is a fair showing to achieve an increase, though small it is true, in our profits, meet heavy additional taxation, carry forward the substantial sum of $58,000 to surplus and increase our estates business to the extent of $3,000,000.

Care and Knowledge

"Our expanding estates business reminds us of the value of our services to the families and beneficiaries of deceased persons in conserving these estates for their use and enjoyment; and from a wide point of view, of having strong, well organized and experienced trust companies, of which this Corporation is one, to carry out the orderly administration of estates within the framework of our laws and the requirements of our various Governmental bodies. Less and less is it practicable to leave such matters to the looser methods of earlier days. A glance at our Foreign Exchange Control regulations, our new income tax, the transfer tax on securities or, to look in another direction, at modern investment problems, shows how much care and knowledge is necessary to the successful administration of any estate. Every detail nowadays must fit accurately into the complex pattern of our financial and Governmental systems, otherwise there is loss of time and money.

Trust Services Useful

"We still have to contend with the misconception that the trust company is an instrument for the preservation of large estates. This is far from being the truth. Size is not the governing factor in whether an estate needs the services of a trust company; this is more a matter of the particular circumstances of each case. But we may say that the great majority of estates of modest size will benefit from the continuity of management, the group judgment, the wide sources of information and technical knowledge which a trust company such as our own can bring to their administration. This matter has been dealt with before at annual meetings but we cannot too often remind ourselves as shareholders, of the usefulness of our services and their wide general application.

Fees Set by Courts

"It seems that I might also point out here that our fees are not and never have been high. No doubt the misconception that we deal mainly with large estates has also given rise to the idea that our fees are such as only rich men can pay. Throughout Canada, except in Quebec, any executor, whether an individual or a trust company, is legally entitled to compensation. This compensation is awarded by the courts. The executor's fee is not something, therefore, which only trust companies charge; it is a fee chargeable to the administration costs of any estate, recognized at law and awarded equally by the Courts to private individuals and public companies.

"Turning now to conditions in Canada as a whole, there are two outstanding features in the landscape. The first is the enormous increase in Government financing and the consequent enormous increase in taxation. The second is the improved condition of industry and the corresponding gain in employment.

Government Expenditure

"The war has forced heavy deficit financing on the Dominion Government. The cost of the war programme during the current Dominion fiscal year ending March 31st, 1941, has been estimated by the Minister of Finance at $940 millions in addition to $448 millions of ordinary Government expenditure. It is the avowed and wise intention of the Government to finance this cost as far as possible, first out of taxation and second by borrowing. Dominion revenues, reflecting our increased taxation, rose from $354 millions in the first eight months of the last fiscal year to $506 millions for the first eight months of this fiscal year. Total expenditure, however, for the same period rose twice as fast from $374 millions to $685 millions. It is obvious that we have to look forward not only to heavily increased Government borrowing but heavily increased taxation and the Honourable Mr. Ilsley has already announced such taxation for the forthcoming fiscal year.

Business Improvement

"As an offset to this picture, there are several favorable features we can point to in the present business situation. A conservative estimate of our national income, that is to say, the sum total of the incomes of all Canadians, is $4,800 millions for 1940, a gain of 9% over 1939 and actually may be much higher than this. This increase is the direct result of the Government expenditures on the war effort and the rise in business activity. The physical volume of business as measured by the index of the Dominion Bureau of Statistics averaged as much as 19% over the general level for 1939 and has reached a point far surpassing that of 1929. Our exports have largely increased during the year in spite of the loss of European markets. The gain in our exports to England, the United States and to South America, however, have more than made up for the loss in exports to the countries under German domination. Our external trade has always been particularly vital to Canada and it shows a total increase over last year of 31%, exclusive of gold shipments. The larger wheat crop and the increased industrial activity have improved our railway revenues. The gross revenue of the Canadian National has advanced some 22% and the gross revenue of the Canadian Pacific some 12%. Servicing the debt of our national railways always caused a heavy drain on our national resources and the greater revenue is naturally welcome. Relief rolls have been reduced by the steady increase in employment. These last two items have been largely responsible for the reduction in the Dominion Government's ordinary expenditure. This reduction amounted to $53 millions by last November. Further Government economy is no doubt to be looked for and an increasingly efficient co-ordination of our war effort, so that we can hope to obtain the maximum results for our expenditures.

An Expanding Economy

"Industrially, Canada has progressed rapidly from the very beginning of the war, due to the fact that in most branches of our industrial organization there was surplus productive power waiting to be utilized. For the first eleven months of 1940 manufacturing production was 24% ahead of the same period in 1939 and is still increasing. The construction industry has progressed with almost phenomenal rapidity. Contracts awarded show an increase of 85% over 1939 and building permits a 95% increase. As residential building shows no advance over 1939, the figures I have just quoted represent the expansion of industrial plants and other war construction. Included in them are the contracts let by the Government, which has already announced that it is spending $250 millions on war plants and equipment. Obviously, the building and expansion of plant facilities must precede increased production. And when we have increased employment and increased production, then we shall see the development of the secondary results, the increased use of electric power, of the railways and other services, increased activity and employment in fact in all lines and all contributing, of course, to a larger circulation of money and an increased national income. We are at the beginning of an expanding cycle and its immediate and short term effects are naturally beneficial. It is interesting to observe, for instance, as showing how this cycle develops, that Canada's war outlay amounted to $40 millions a month during June and July; in September to $67 millions, while by October it had reached $81 millions a month. During the last half of the present fiscal year to March 31st, 1941, Canada will spend over $700 millions on the basis of the estimate presented to the House of Commons, or some $116 millions a month on the average.

Skilled Labor Short

"Employment has greatly improved. The general index of employment is up no less than 9%; in manufacturing industries it is up 17%. It is estimated that the number on relief in October, 1940, was 225,000 as compared with 544,000 in October, 1939. In fact a shortage of skilled labor already prevails in some industries. The training of such labor will become of greater and greater importance as the months go by.

Canada's Heavy Load

"It is obvious, looking at this picture of vast and swift development, that Canada as a small country has been placed under a heavy strain. With a burdensome Government debt, it has had to raise large sums to finance its war effort. It has had rapidly to expand its industrial equipment and moreover to direct its industrial activity into the channels of armament production, of which it has had little actual experience. It has had to re-align its export trade and to work within the restrictions of the necessary financial and economic controls forced on us by the war. That Canada will be able to carry her increased responsibility and rise to the level of her opportunity, I am convinced. Our present position and our performance to date refutes the allegation that democracies are either too effete or have too rigid an organization to respond effectively when their national safety is challenged.

Future Sacrifices

"This development in our activity and in our national income brings me to the next difficulty which we, as Canadians, will have to surmount. It is obvious that increased national income brings about an increased demand for consumers' goods. The value of retail sales, for example, for the first eleven months of 1940 showed an increase of 12% over 1939 and the figure for the year will probably be much higher. As maximum production is reached in all lines, any further expansion in the war effort can only be achieved by a reduction in the productionof consumers' goods so that more industrial plants can be turned over to the production of war materials. This is the change-over in economy which was made in Germany under compulsion and with the introduction of nothing less than economic slavery. It is a change-over which we must make by consent as was done in England, though it will mean the temporary suspension of some of our democratic rights.

We Must Save

"It is to assist in this change from a full flow of goods and services with a large national income to a large income but a restricted flow of goods and services that the Government is lately laying so much emphasis on the question of national savings. To reduce the demand for consumers' goods by Canadians generally, all surplus income will have to go into war savings and war loans. Should we as a nation be unwilling or unable to save, the only result can be a rise in the cost of living due to the competition of purchasers for the limited goods available and the consequent rising spiral of inflation. However, so much has been learned as a result of the war of 1914-18 in this matter that I am sure once the situation is clearly understood by the country there will be no inherent difficulty in carrying out this change-over in an efficient and orderly way."

VICE-PRESIDENT

The Vice-President, Charles McCrea, K.C., in seconding the motion for the adoption of the Report, said, in part:

Canada Prepares

"1940 saw Canada increase the tempo of her preparations. We, too, have been napping, but, whatever the mistakes and whatever the delays, the die is cast and we must go forward with all the strength we can muster to assure success. Our main business today is gearing for war. The normalcy of the old order must give way to the new with all it entails—saving, sacrifice, suffering but, withal, the development of an indomitable will as exemplified in London, Coventry and other victimized areas, showing the spirit of men who fight to win. This spirit in the service of the Air Force, Navy and Army makes us debtors all to Britain and the men who guide her destiny.

Importance of Mining

"It has been my privilege at previous meetings to say a word with reference to the mining industry. The important part it has played during the past year is patent to all. It will continue its growth in Canada's economy. We are proud that this industry has made such a contribution in gold, copper, nickel, platinum, zinc, lead and other metals so necessary and important in our war effort. These mines yield a wealth and fill a use which is indispensable for success. The personnel of Canada's mining world is bending its best effort to maintain and increase production to serve the cause.

"The past year saw Canada top all previous records in mineral output, the estimated value placed upon mineral production for 1940 being well in excess of $500,000,000, a substantial increase over 1939, and far outdistancing the first year of the last Great War when Canada's minerals produced were valued at only $129,000,000.

Progress in Ontario

"The Province of Ontario still leads the way. It yielded over one-half of the value of Canada's mineral output for 1940. The gross mineral production for Ontario last year reached a record total of over $300,000,000, an all-time achievement.

"From a metal standpoint, our chief contribution came from our gold mines and our nickel-copper mines. Gold produced in Ontario in 1940 exceeded the total of 1939 by over $13,000,000, and was more than one-half of the estimated value of $225,000,000 of gold production in the Dominion for 1940. In Ontario the nickel-copper output in 1940 surpassed any previous year by a substantial amount.

"The Helen Mine, north of Sault Ste. Marie, produced some 300,000 tons of iron ore made marketable by beneficiation.

Services to Mining

"Your Corporation has consistently recognized the value of mining as a great basic industry of our country, and, in order to co-operate in every way in its expansion, has kept abreast of the times by providing Corporation facilities including stock transfer agencies, registrarships for stock, dividend disbursing agencies, escrow agencies, agencies for obtaining proxies, and other special services, for mining business as well as other sections of the financial world."

GENERAL MANAGER

The General Manager, W. G. Watson, said in part:

"The 59th Annual Report of the Corporation which is under review today will, I trust, in the light of present-day conditions, be considered as satisfactory.

Profits and Surplus Up

"The net profits for the year were slightly better at $308,047 than those of 1939. Appropriations were made as follows: To pay Quarterly Dividends of 1%, or 4% for the year, $120,000; To provide for Federal, Provincial and Business Taxes, $80,000; To write down Office Premises, $50,000; leaving a balance of $58,047 by which to increase the surplus forward to $459,659.

Farm Collections

"In common with other institutions having investments in farm mortgages in Western Canada, our collections and consequently our earnings for the year in this connection, were somewhat reduced by the wheat quota system. It is expected, however, that as the Government has agreed to take delivery between now and the end of the current crop year, viz., July 31st next, of all surplus wheat remaining on farms or in local temporary storage, we shall in due course receive payment for our share of the crop. Indeed, I should add that for January, 1941, the cash collections from this source have been quite gratifying.

Balance Sheet

"Coming now to our Balance Sheet as at December 31st, 1940, this also shows an increase of $1,519,488 in total assets under administration for the three sections, made up as follows: an increase of $98,836 in our own Capital resources; a reduction of $1,501,338 in funds held under Guaranteed Certificates and Savings on Deposit with an increase of $2,921,990 over last year in the assets under administration for Estates, Trusts and Agencies, which at $218,101,739 marks a new high all-time record. These figures represent an increase of $45,594,700 over the total under administration at the end of 1929, the beginning of what is frequently referred to as the major depression since the turn of the century, notwithstanding the marked reduction in values which prevailed and at which the assets comprising new Estates, Trusts and Agencies were subsequently assumed.

Capital Account

"In the Capital Section our Office Premises at Toronto and Branches are shown at $1,700,000 or a reduction of $50,000 from last year. At this figure after meeting all carrying charges including taxes, wages, alterations and repairs and all other expenses this asset gave us a net return of 5.50% for the year.

Guaranteed Trust Account

"The Guaranteed Section of our Balance Sheet is clear of real estate as, in accordance with our general practice, all such properties to which title has been obtained either by quit claim or process of law are regularly transferred to our own Capital Account.

"All Dominion of Canada, Provinces of Canada Bonds and Municipal Debentures, Call Loans and other securities in this section, as also those held for Capital Account, are shown in the Balance Sheet at or below the market value as at December 31st last.

"Our liquid position at 82.39% in relation to Savings on Deposit will, I am sure, be considered as highly satisfactory.

"The mortgage investments in the Guaranteed Section at $12,244,273 are down from last year by $587,625. These mortgages both at Head Office and Branches were carefully reviewed at the end of the year, as is our usual custom, in the light of the latest valuations of the mortgaged properties, and Specific Reserves set up in all cases were deemed advisable in addition to the reserves provided for interest arrears. It may be of interest to learn that principal repayments received by the Corporation during 1940 on these mortgages exceeded by over 36% those of 1939.

"The Savings on Deposit and funds held under Guaranteed Investment Certificates are down as I have already pointed out by $1,501,338 or 7.6% largely due to withdrawals for investment in the two Dominion Government War Loans which were issued during the year, and for the purchase of War Savings Certificates and Federal Government Treasury Bills, etc.

Estates, Trusts and Agencies

"In the Estates Section, which represents the major department or function of the Corporation, constantly-increasing and ever-widening interest is being shown as evidenced by the increasing number of Wills filed with us for safekeeping, in which the Corporation is appointed Executor and Trustee.

Wheat Situation

"In Canada we have had the second largest crop of wheat in our history. At 551 million bushels the 1940 crop was only slightly less than the all-time record of 567 million bushels harvested in 1928. With a record carry-over from last year of 301 million bushels, we had in Canada 852 million bushels of wheat for disposal. It is estimated that 126 million bushels will be required for food and seed; 68 million bushels by way of wheat or flour have already been exported leaving 658 million bushels still available. The Honourable James A. McKinnon, M.P., Minister of Trade and Commerce, estimates 150 million bushels may be exported by July 31st next, which would leave a carry-over of 576 million bushels at the end of the current crop year.

"This vast quantity of wheat is well above the storage capacity of our elevator systems and to cope with the situation additional temporary storage space at the head of the Lakes and elsewhere is already under construction or being considered. In normal times the disposal of this wheat would have meant largely increased prosperity to the farmers and railroads. Serious study is being given by Government and other bodies to find commercial and other uses to which wheat may economically be put in an effort to help dispose of this great surplus.

"The disposition of our surplus wheat is no doubt one of the largest of our domestic problems. Some study is being given to the possible reduction of wheat acreage during the current crop year, though this presents many practical difficulties and is fraught with grave responsibilities.

Larder and Arsenal

"In considering the matter, however, we should remember that large reserves of food are vital to the successful conduct of any war and though moisture conditions were favorable last Fall in Western Canada so that the outlook for this year's crop is promising, we can of course have no guarantee of good crops from year to year. One or two major crop failures in the North American continent, in the light of the world situation notwithstanding our present great surplus of wheat might conceivably have serious results. We cannot afford to take chances in connection with supplies of war equipment and munitions of all kinds and so are wisely undertaking great expenditures in this direction even to the building of new plants at great cost. On the other hand we cannot surely afford to take risks with our reserves of food products lest the Empire, our Allies and our democratic friends should suffer—not to mention a probable hungry world at the conclusion of the war.

"The total value of agricultural products in Canada, including livestock, for the year appears likely to exceed $1,200 millions. The war in general, apart from the loss for the present of export demand for our surplus wheat, has provided a stimulus to agriculture. Greater employment, greater industrial and mining activity, large numbers of men under arms, make for a greater consumption of agricultural products. We are called upon not merely to be the arsenal of the democracies in the sense of providing armaments, but also to be their larder.

Gravity of Struggle

"Everywhere the nations of good will have been challenged by a common foe—mighty—cruel—prepared—a dozen or more have been overrun and crushed to the earth—only the Empire — gallant little Greece and stout-hearted China, together with a courageous company of brave, free men—nationalists of several of the countries that have fallen by the way—continue to give battle to the arch enemy of mankind.

"If we lose, we lose freedom and with it not only our material possessions but all the priceless treasures which we have won or inherited from the past.

"If that is so, then there is nothing that we can do or should do that we should find too hard to give or to endure that we may have some fair or modest share in the gigantic task to which in the unfolding of her destiny our Empire is called at this time and in which so many men and women alike are rendering heroic service coupled with an unconquerable spirit.

Staff and the War

"Our male staff at Head Office and Branches number 250; of whom 30 or 12% have enlisted—18 in the Air Force—8 in the Army—and 4 in the Navy. In addition several others have their applications in with the Air Force and are waiting to be called; 37 have joined the Non-Permanent Militia units since war broke out and have taken the two weeks' training and regular night drills provided by the Government. Other members of the staff have been called to serve in Auxiliary units and special work made necessary by our war effort.

"You will be interested I know to learn that at Head Office, where we have 247 employees, 90% of these are already subscribers for 1941 to War Savings Certificates.

"It is also expected that our Branch Staffs numbering 158 will fully match the example set by Head Office within the next few days."

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Inter. Hydro

Please let me know if International Hydro-Electric system has earned interest on its debentures and whether there is anything likely to interfere with a continuance of payment.

International Hydro-Electric System is dependent for revenue on dividend and interest payments from subsidiaries. One of the most important units from which it derives income is Gatineau Power Co.

The System received $372,543 total income in 1939 compared with $745,537 in 1938. On this basis, debenture interest was earned .09 times in 1939 and .38 times in 1938. However, the company received cash in 1939 in addition to this amount. It included $1.2 millions in dividends received from Gatineau Power Co. as a partial return on original investment, and not as income. By taking this into consideration, debenture interest would have been earned by a much greater margin.

Dividends from Gatineau, treated as a return on investments, are particularly important to the holding company. Continuation of payment on the 6% debentures would appear to be contingent upon dividends from its Canadian subsidiary being sustained at present levels. The Canadian Foreign Exchange Control Board has maintained rigorous requirements on export of capital from the country. Whether these restrictions might be extended in the future is difficult to state.

Fanny Farmer

I should appreciate your comments on the outlook for Fanny Farmer Candy Shops. Were 1940 earnings up to the 1939 mark?

Fanny Farmer Candy Shops has not yet issued its annual report for 1940, but it is considered likely that earnings were well maintained and will compare favorably with those for 1939, when the company earned $2.56 a share. The year 1939 saw the company's sales reach a new record for it at $7.5 millions. In view of the continued improvement in business conditions in the United States, where the company operates, it is thought likely that sales showed further improvement in 1940. Dividend payments for 1940 totalled $1.25 a share, the same amount as paid for 1939. An important point to remember is that payments by this company are in U.S. funds and that its operations are carried out entirely in the United States.

Traders Finance

I am told that dividends of $1 per share will shortly be commenced on the A common stock of Traders Finance Corp. Would you be good enough to let me know if this is correct and add any comments regarding the earnings of the company?

Enquiry from officials of the Traders Finance Corp. indicates that the matter of a dividend on the class A common has not yet been discussed. It is possible that the matter may come up at the annual meeting in about two months but there is nothing at all definite about this and it appears that $1 a share would be too high an estimate. Indications are that earnings for 1940 will be approximately the same level as in 1939, when the company had net profit of $379,924.

Actually there has been a fair increase in gross earnings but higher taxes are likely to swallow most of this, leaving the net results approximately what they were a year ago. The company refinanced its 7% class B preferred stock about the end of last year with a 3½% debenture issue but the net benefit to the company would not be a very great sum.

Province of Quebec

3¾% Debentures, due February 1, 1951
(Callable on and after February 1, 1950)
PRICE: 99.50 and accrued interest, to yield 3.81%

4% Debentures, due February 1, 1956
(Callable on and after February 1, 1954)
PRICE: 100.00 and accrued interest, to yield 4.00%

THESE debentures will be direct obligations of the Province of Quebec and will be a charge as to principal and interest upon the consolidated Revenue Fund of the Province.

Descriptive circular, including financial statement will be furnished upon request.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Bathurst

Will you please let me know how earnings of Bathurst Power & Paper Co. shaped up during 1940? Were they any larger than in 1939 after taking into account increased taxes?

Earnings of Bathurst Power & Paper Co. in the 11 months ended Nov. 30, 1940, after deducting all charges including depreciation and depletion, but before income and "excess" profits taxes, amounted to $1,177,809. It is understood that after making maximum allowance for all income and "excess" profits taxes, the company earned about $500,000 during the 11 months' period. This was equivalent to $1.25 a share on the Class A stock.

It is believed that special concessions will be made by the board of referees, permitting the company to show larger earnings than indicated on this maximum basis. Even if these concessions were not allowed, the company would show higher earnings in 1940 than in 1939. In that year, net profit amounted to $81,197, equal to earnings on the Class A stock of 20 cents a share.

Winnipeg Electric

As a subscriber of the Financial Post would you kindly let me have your views on the safety of payment of interest on the company's series "B" bonds.

Winnipeg Electric Co. has been earning interest on its series B income bonds by a moderate margin. In 1939 it earned interest on the issue 1.91 times, compared with 1.16 times in 1938. Interest is payable annually out of available income up to 4% annually from 1935 to 1941, and to 5% annually from 1942 to 1946. From Jan. 2, 1947, the bonds will bear semi-annual interest at the fixed rate of 5%. While gross earnings of the company have been increasing since the outbreak of war, higher operating expenses and larger fixed charges, depreciation, etc., have more than offset this gain. In the first ten months of 1940 gross earnings were up 4.86%, and net earnings were up 5.32%. There was a decrease of 15.01% in net income available for interest in this period on the series B bonds. Continuation of this trend would narrow the margin by which interest requirements are earned, but the movement is not yet of sufficient magnitude to jeopardize payments.

Good Sellout Salmon Pack

From Our Own Correspondent

VANCOUVER.—The entire canned salmon pack of British Columbia, with the exception of a relatively small pack of "quarters," has been disposed of and the British Government has apparently ceased buying in this market for the season. B. C. Packers Ltd. is the principal company interested.

Canned salmon sales in the United Kingdom benefitted from the fact that Britain placed no orders for Japanese salmon. Because of the lower price and abundance of Japanese shipping Japanese salmon in the United Kingdom market has in the past been the most serious competitor of the British Columbia pack.

Total fisheries revenues for the province will probably be well up to average. The canned herring pack is the largest on record, with more than 610,000 cases. It was expected that sales to the United Kingdom would have been even greater, but they did surpass all past records by a wide margin due to war conditions and curtailment of North Sea operations.

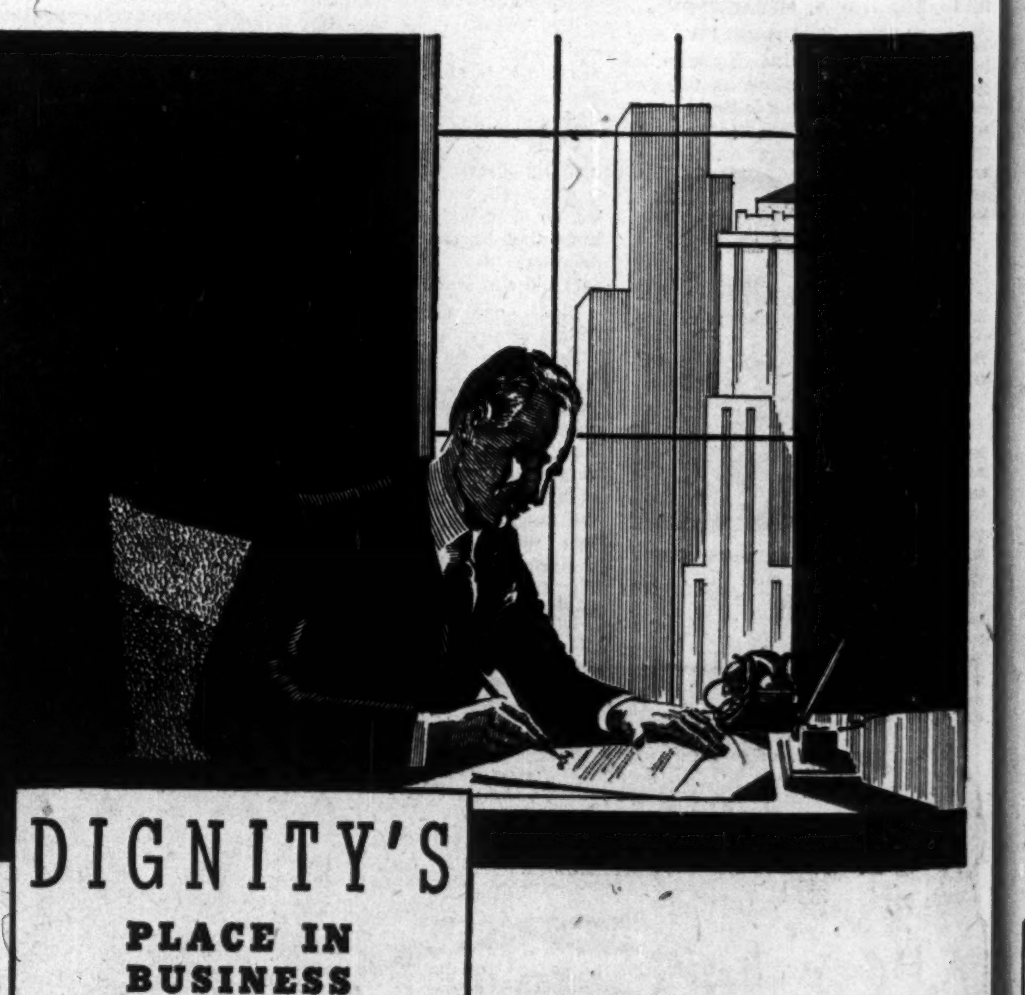
The British Government alone placed orders for 275,000 cases of herring, and private British interests bought another 200,000 cases. The balance is under order and will soon be delivered.

The pack sold at the controlled price of $4 a case, and British Columbia fish packers will receive about $2 millions, a significant gain inasmuch as it represents a type of business that scarcely existed before the war.

Minas Basin Pulp Handles Larger Cut

From Our Own Correspondent

MONTREAL.—Minas Basin Pulp & Power Co., of Hantsport, N.S., reports a pulpwood cut in 1940 of 30 million feet, a goodly proportion of it going to the United Kingdom. The balance was used in the company's own pulp plant at Hantsport.



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Pulp and Paper Industry

Newsprint Companies Tax Status

Quebec Companies Providing for Minimum E. P. Tax But Government Attitude Still Uncertain

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Will the newsprint companies be permitted by Ottawa to pay the minimum Excess Profits Tax on their profits for 1940? Annual statements made available over the past week would indicate this is the hope. On the other hand, opinion in investment circles is otherwise.

The urgent need of the Dominion Government for additional revenues to finance the war effort is so self-evident there is no need to enlarge upon the point. This means tax concessions are going to be few and far between. On the other hand the Government made provision in the Excess Profits Tax legislation for "depressed" industries, that is, the level of the last few abnormal years could not be used as normal base for computing future profits.

Newsprint certainly can qualify as a depressed industry. Moreover, in view of its very important contribution to the war effort (in making available a large amount of U. S. funds) it is a common belief the taxing authorities will be inclined to look with favor upon the application for relief by the newsprint industry. But it does not necessarily follow the excess profits tax payment by the individual companies will be set at the minimum.

Sharp Gain in Profits

Earning power of the newsprint companies has increased sharply; in some cases, very sharply. This has been due to two or three factors, but principally to moderately higher sales and the premium received on U. S. funds.

Obviously payment of the excess profits tax on the 75% basis would wipe out all additional income and leave the companies no better off than they were before. Such a condition would not be fair to the industry, nor is there expectation that the Government will demand its "pound of flesh."

No Ruling as Yet

There has been no intimation from Ottawa as to how the newsprint companies will be treated. The operators, as a group, have presented a petition to the Department asking for special consideration. That some concession will be made is taken pretty much for granted. But it is not certain the operators will be allowed to pay the minimum excess profits tax, as would be inferred from the reports made available over the past week.

At the time of writing five newsprint companies have made available their 1940 financial statements. Four of the five reports featured two items: a sharp advance in provision for depreciation and minimum provision for payment of the excess profits tax.

Jump Up Depreciation

The amount set aside for depreciation has a vital bearing on the total of tax payments. There are a number of rulings in respect to the amount which can be set aside for depreciation. The Income Tax Department also recognized companies would increase their depreciation reserve in order to reduce the amount of excess profits tax payable. Accordingly the E.P.T. Act provided a base for depreciation—the average of the four years 1936 to 1939.

It is understood the Department does not intend to hold fast to this ruling. Some leeway will be allowed and necessarily so in many cases because of the increased volume of business arising directly and indirectly out of the war. But the Act provides the Department with a "standard" to use in deciding whether or not a company has set aside too much out of 1940 income for depreciation.

How They Compare

What the St. Lawrence group and Donnacona Paper did in regard to depreciation for the past year is set out in the following table:

	Base depreciation 1936-1939	1940 depreciation reserve
St. Lawrence Pap.	$416,895	$732,789
Lake St. John	237,174	556,425
Brompton	313,260	455,810
Donnacona	237,115	558,713

James Maclaren Co.'s report, also made available this week, does not permit of comparison as the base figures are not available.

Pay More in Dividends

Another interesting angle of the published reports is the fact that St. Lawrence Paper Mills, Lake St. John Power & Paper and Brompton paid dividends during the year. This was not a new departure for Brompton, but it was the first time St. Lawrence Paper Mills paid a dividend on its preferred stock since 1931; Lake St. John resumed payments on the preferred after omitting disbursements on 1938 and 1939 earnings. Donnacona did not pay any dividends on last year's earnings.

James Maclaren Co.'s position is somewhat different from the others. This company's accounts for 1940 do not show provision for payment of dividends or taxes, net earnings being transferred to the earned surplus account of the parent company—Maclaren Power & Paper Co.—and subject to deduction for income and excess profits tax.

As a matter of interest the amount provided for taxes and the surplus after dividends by four of the companies reporting is set out below:

	Tax provision including minimum E.P.T.	Surplus after dividends
St. Lawrence Paper .	$267,076	$222,039
Lake St. John	61,000	4,117
Brompton	302,940	106,778
Donnacona	69,917	*129,639

*No dividends paid or declared.

Effect on Companies

Some conclusions may be drawn from these returns:

Brompton has paid dividends on its capital stock in three of the four base years and in view of its earning power may be called upon to pay a higher excess profits tax. However, this would not seriously affect the company in view of its strong working capital position.

Lake St. John Power & Paper had practically no margin left after provision for minimum taxes. An adjustment upward on the tax payable would necessitate this company drawing on reserves in order to meet payments owing to the Government.

Donnacona Paper Co. did not pay dividends and, consequently, has available all net earnings for the past year to meet any adjustment that might possibly be made on the tax assessment.

St. Lawrence Paper Mills shows a relatively large surplus after dividends: almost equal to the amount set aside for taxes. Accordingly that company is in good position to meet any increase in the excess profits tax if the Government decides a larger payment is called for.

Canadian Pulp Gains 65% In 1940

From Our Own Correspondent

MONTREAL.—Canadian chemical pulp exports in 1940, valued at $55 millions, registered an increase of 65% in volume over those for 1939. The following percentages indicate the increase in each type of pulp:

	% Gain
News grade unbleached	239
Strong unbleached	97
Bleached	46
Sulphate	26
Over-all gain	65

See in Newsprint Mills Big Potential Pulp Makers

From Our Own Correspondent

MONTREAL. — Resulting from more efficient processes in manufacture of newsprint paper, a substantial excess of capacity has been made available for producing news grade unbleached sulphite pulp, one of the constituents in newsprint paper, according to F. G. Robinson, president of The Canadian Pulp and Paper Association.

There is inherent in pulp and paper processes a "hidden resilience of output" well recognized within the industry, Mr. Robinson states, but often overlooked by those not having a practical working knowledge of these processes.

This "resilience" becomes effective under what might be termed "forced draft" operations, which so far have not been needed except for short periods during 1940 to meet temporary emergent needs.

Big Potential Producer

Apart from general "hidden resilience," there often develops specific hidden potentialities. In this connection Mr. Robinson directs attention to the ability of the newsprint mills to produce unbleached sulphite pulp, the consumption of which, except for manufacture of newsprint paper, is strictly limited.

Some manufacturers of newsprint paper, Mr. Robinson adds, have already taken steps to convert this pulp, of which there is a large and continuing consumption in North American and overseas markets. "Its availability," he said, "can be accomplished in a fraction of the time, requires but a fraction of the equipment and approximately at somewhat less than half the cost of building and equipping a new pulp mill of equivalent tonnage. Most pulp and paper mills making other grade have, by designs for safety, a margin of general services such as steam and electric power. It is obvious that, if demand justifies doing so, their productive capacity can be increased with the same basic economies of time, new equipment and costs."

Kellogg Views Outlook For Newsprint Industry

From Our Own Correspondent

MONTREAL.—One cannot count on materially larger consumption of newsprint in the United States this year, according to the views expressed by R. S. Kellogg, Secretary of the News Print Service Bureau and widely recognized authority on newsprint affairs. Sustained newspaper circulations are not likely to be much greater than at present, and, he adds, it is doubtful if there will be any improvement in national newspaper advertising.

Along the latter lines, Mr. Kellogg says if there is any increase in newspaper advertising in the United States in 1941, it will most probably be for consumer goods. With the high rate of employment and rising wages, retail trade in the United States may increase 5% to 10%, which would naturally lead to a greater volume of newspaper advertising in this field of distribution.

Broad Newsprint Outlook

On the broader outlook for newsprint demands this year, Mr. Kellogg has the following to say:

"If—as now seems most probable—the war in Europe goes on throughout 1941 and if, as seems equally certain, the United States is drawn closer thereto, certain tendencies will appear and some conditions already existing in 1940 will be continued.

"Due to greater restrictions on the consumption of newsprint in the United Kingdom—and perhaps elsewhere in the British Commonwealth—overseas exports of newsprint from Canada and Newfoundland in 1941 are not scheduled to reach the high peak of 1940. On the other hand, the year-long continuance of the war means that not even the 34,000 tons of newsprint which came from Europe to the United States in 1940 will get here in 1941. There will be only insignificant dribbles."

16% Gain in 1940

In an exhaustive survey of the newsprint paper situation in 1940 Mr. Kellogg had the following to say, in part:

"A gain of 16% in North American newsprint production last year over 1939 ranks up well with the increase in the business index. When, however, we find that the increase of newsprint consumption in the United States in 1940 was only 4.6% and that newspaper advertising went up only 2%, it is evident that there can be great activity in the important segments of industry and trade without a corresponding rise in the use of paper.

"On the basis of industry-accepted figures as to capacity, newsprint operations in 1940 were at about 78% in Canada, 93% in the United States and 94% in Newfoundland, or a continental average of 82%. Since North America was called upon to supply newsprint paper last year more widely and in larger quantities throughout the world than is likely to be the case under any peacetime setup, it is obvious that there is ample machine capacity on the continent to take care of any foreseeable future demands for newsprint—providing controlled economies permit the procurement of materials, their fabrication and shipment of the product."

Hit Peak in 1929

In discussing newsprint consumption in the States, and the factors bearing upon demand, Mr. Kellogg pointed out consumption of 3,700,000 tons last year was the equivalent of 56 lb. per capita. "This was 2 lb. more per capita than in 1939," he added, "but less than the per capita consumption in 1929, 1930, 1936 and 1937. As time goes on it is increasingly probable that the per capita consumption of 62 lb. in 1929 was the all-time high, and that the present per capita rate can be regarded as about all that may be expected."

Attention is drawn to the fact that leading U.S. daily newspapers averaged exactly the same size in 1940 as in 1939—27 pages. This was one page more than in 1938, but one page under 1937. It was also no larger than in 1923 and five less than the 1939 average of 32 pages.

On the other hand U.S. Sunday newspapers made real gains last year with an average of 86 pages compared with 82 in 1939.

Mr. A is not responsive to sales talks

"Confound it, sir, I like to make up my own mind!"—that's Mr. A's buying philosophy in a nutshell. High pressure selling methods won't work with *him* — he just hates to be *told* about the quality of merchandise.

But you *can* sell your product to Mr. A and here's the secret: Just display the goods in an attractive "Cellophane" package, print explanatory details right on the wrap — and let Mr. A stop, look and *sell himself!*

There are quite a few people in the world like Mr. A. Perhaps that's one of the reasons why "Cellophane" has such an extended record as a sales stimulant. This transparent film does a selling job which appeals to *everyone* — it's on duty as long as the product is on display — its sales appeal is constant, courteous and candid.

Years of practical experience have equipped our Sales Organization with sound knowledge of merchandising and packaging. If you would like to discuss "Cellophane" in relation to some of your products we shall be glad to offer suggestions. "Cellophane" Division, Canadian Industries Limited, P.O. Box 10, Montreal, Que.

Cellophane
TRADE MARK
C-I-L CELLULOSE FILM

C-I-L

Company Reports

Maclaren P. and P.

Further improvement in the consolidated position of Maclaren Power and Paper Co. is indicated in the annual report for the year ended Nov. 30, 1940. During the year the company reported a consolidated net addition to earned surplus of $511,905. This represented a balance carried forward from the James Maclaren account of $660,528, less a loss of $148,623 on Maclaren-Quebec operations. Comparative figures for the previous year are not available as the company has changed its accounts this year to show the income accounts of the subsidiary company, while the parent company only shows an earned surplus statement.

The consolidated balance sheet as at November 30, 1940, shows an improvement of well over $1 million in the net working capital position. Excess of current assets over current liabilities at the end of the last year totalled $449,967, as against a deficit of $768,569 the year before.

Lower Bank Loans

Consolidated bank advances have been reduced from just under $2.5 millions to $1,261,454. The funded debt is slightly lower at $19.2 millions. Among the current assets accounts receivable are shown at $722,686. In this connection the auditors point out a substantial amount owing by one of the largest customers of the James Maclaren Co. is represented in the accounts at 50% of its face value. We are informed certain security is held, the value of which it is impossible to determine at this time. Inventories, less reserves, stand on the consolidated books at $1,416,902.

Cons. Earned Surplus Account
Year Ended Nov. 30, 1940

	$
James Maclaren profit	660,528
Maclaren-Quebec loss	148,623
Net revenue	511,905
Previous surplus	1,106,517
Less: Adjustments	19,297
Income tax 1939	59,935
Balance forward	1,539,189

Working Capital

	1940 $	1939 $
Current assets	2,195,065	2,201,894
Current liabilities	1,745,098	2,970,463
Working capital	449,967	*768,569

*Excess current liabilities over current assets.

James Maclaren Co.

James Maclaren Co., subsidiary of Maclaren Power and Paper Co., reports a gross revenue from the sale of newsprint for the year ended November 30, 1940, of $3,287,878. Comparative figures for 1939 are not available, as heretofore accounts have been consolidated with those of the parent concern. After depreciation and other charges, and taking into consideration U.S. exchange and other income, as well as writing off $127,250 against doubtful accounts, the company showed a net profit of $660,528 before providing for income and excess taxes. This amount was carried forward to consolidated earned surplus account.

Income and Surplus Account
Year Ended Nov. 30, 1940

Newsprint sales	$3,287,878
Less: Cost of sales	2,300,501
Net revenue	987,377
Less: Depreciation	513,621
General expenses	166,080
Add: U. S. Exchange	334,119
Int. earned	87,047
Invest. income	58,937
Less: W/o accounts	127,250
Net profit†	660,528

†Before income and excess profits taxes.

Maclaren-Quebec Power

Maclaren-Quebec Power Co., wholly-owned subsidiary of Maclaren Power and Paper Co., reports power sales in the year ended November 30, 1940, of $1,468,694. This compares with $1,350,000 in the previous year. After providing for expenses, interest charges, depreciation, etc., there was a loss for the past year of $148,623. This represents a relatively substantial improvement over the previous year when the loss was $269,660.

Income and Surplus Account
Years Ended Nov. 30

	1940	1939
Power sales	$1,468,694	$1,350,000
Less: Expenses	235,609	193,478
Bond interest	910,458	944,667
Other interest	63,330	99,623
Bond expenses	2,487	6,454
Depreciation	250,000	250,000
Storage rights	90,000	90,000
Debt discount	65,434	35,438
Loss	148,623	269,660

St. Lawrence Corp.

Total income of St. Lawrence Corp. for 1940 consisted of dividends from Brompton Pulp and Paper Co. amounting to $521,678, and including dividends received on Jan. 15, 1941. From this there was disbursed $516,474 in dividends to the Class A preferred shareholders, $1.50 a share being paid in 1940 and 25 cents a share on Jan. 15, 1941.

Balance sheet shows bank loans of $222,345, compared with $146,611 at the end of 1939. During the year 4,170 Class A shares were purchased and cancelled, reducing the number outstanding from 298,107 to 293,937. A new item of capital surplus, arising from redemption of the A stock appears at $141,043 in the balance sheet.

The company's assets consist of share investments in St. Lawrence Paper Mills, Brompton and Lake St. John Power and Paper. It is noted holdings of St. Lawrence Paper common increased from 509,894 to 509,956 shares and of Brompton common from 298,071 to 298,107 shares.

Particulars of the profit and loss statement follow:

Income & Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross income	521,678	327,878
Less: Taxes	3,495	3,268
Expenses	521	658
Bank interest	8,377	8,384
Legal fees	45	55
Net profit	509,239	315,513
Less: Dividends	516,474	298,071
Deficit for year	7,235	17,442
Add: Prev. surplus ..	33,015	15,573
Surplus forward	25,780	33,015
Earned per Sh. of pfd.	$1.70	$1.06

St. Lawrence Paper

Reflecting a larger volume of business, the St. Lawrence Paper Mills reports an operating profit in 1940 of $1,618,803, including $585,634 premium on United States funds. For the previous year operating profits totalled $840,297. After senior charges, net profit totalled $578,290, or $4.14 a share on the preferred. This contrasts with $62,099, or 44 cents a share the year before. It is noted in the 1940 account that provision has been made for payment only on the minimum Excesss Profits Tax. Out of earnings of the past year the company paid on the preferred $2 a share on Dec. 23, and 50 cents a share on Jan. 15.

The balance sheet shows net working capital of $2.3 millions, a gain of $700,000 during the year. Included in the current assets is an amount of $474,138 due by Hearst companies, of which sum $385,872 is represented by notes and the balance by an open account receivable of $88,265.

During the year the bank loan was reduced from $1,733,100 to $540,700 and the first mortgage bonds of $2.4 millions which were being held as collateral security by the bank were returned and are now held in the company's treasury.

During the year 2,455 shares of preferred stock were purchased and cancelled, leaving outstanding $13,980,100.

The voting trust agreement in respect of the company's holdings of 51,469 common shares of Lake St. John Power & Paper Co. terminated during the year, and the voting rights now rest with St. Lawrence Paper Mills Co.

Income & Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Operating profits	*1,618,803	840,297
Less: Depreciation ...	732,789	752,501
Depletion	40,648	25,617
Prov. income taxes .	†267,076	nil
Net profit	578,290	62,099
Less: Pref. divd.‡	355,251	nil
Surplus for year	223,039	62,099
Add: Prev. surplus ..	▲316,679	239,432
Surplus forward	539,718	301,531
Earned per Sh., pref.	$4.14	$0.44

*Following items are included in charges to operations: executive salaries, $35,095; directors' fees, $2,950; legal fees, $2,147.

† Subject approval Income Tax Dept.

‡Representing $2 per share paid Dec. 23, 1940, and 50c. per share payable Jan. 15, 1941, including U. S. exchange of $4,236 on dividends to U. S. shareholders.

▲Surplus as at Dec. 31, 1939, adjusted by addition of $18,935 as "income applicable to 1939," and deduction of $53,785 as "reserve for income tax thereon."

Working Capital

	1940 $	1939 $
Current assets	3,550,448	3,538,160
Current liabilities	1,242,124	2,113,775
Working capital	2,308,324	1,424,385

Brompton

Brompton Pulp and Paper Co.'s consolidated income account for 1940 shows total revenues of $1,406,663. This contrasts with $790,196 the year before. After provisions for depreciation, income tax, and minimum Excess Profits Taxes, net profit available for dividends amounted to $631,779, as against $347,947 the year before. This was equivalent to $2.10 a share, as against $1.16 a share in 1939.

The balance sheet as at the end of 1940 shows a net working capital position of $2.8 millions, an increase of over $400,000 during the year. Cash on hand increased from $389,398 to $1,117,804. Accounts receivable were up moderately, but were offset by an increase in inventories from $1,144,596 to $1,333,322. Additions to plant and equipment resulted in net capital expenditures of $146,938 during the year.

Details of the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Total income	*1,406,663	790,196
Less: Depletion	16,134	9,295
Depreciation	455,810	369,156
Income taxes	†302,940	63,798
Net profit	631,779	347,947
Less: Divds. paid	‡525,000	330,000
Surplus for year	106,779	17,947
Add: Prev. surplus ..	▲526,056	515,359
Surplus forward	632,835	533,306
Earned per Share	$2.10	$1.16
Paid	‡1.75	1.10

*Including premium on U. S. funds of $189,394; income from investments, $13,900, and profit on sale of investments, $2,643.

†Subject approval Income Tax Dept.

‡Including $75,000 or 25c. a share payable Jan. 15, 1941.

▲Being surplus at Dec. 31, 1939, of $533,306, less income tax adjustment for 1939 of $7,250.

Note:—Following items are included in charges to operations in 1940: executive salaries, $32,483; directors' fees, $2,300; legal fees, $12,397.

Working Capital

	1940 $	1939 $
Current assets	3,525,668	2,764,678
Current liabilities	693,940	345,027
Working capital	2,831,728	2,419,651

Brazil Seeks to Create Its Own Pulp Supply

From Our Own Correspondent

MONTREAL.—Brazil has moved to make itself more selfsufficient in the matter of pulp and paper supplies. President Vargas has signed a decree opening a $3 millions account for a new pulp plant which will be able to supply newsprint to 70% of Brazil's cellulose requirements.

Financing of the proposed new pulp plant would be guaranteed by lands in the State of Parana, valued at $3,250,000.

Normally Brazil imports about 130,000 tons of cellulose annually.

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Savings are not just money . . . they are houses, farms, travel, enjoyment of life. Money is only the means to an end. The owner of this home used the facilities of the Canada Permanent to accumulate the money with which to build, and his savings paid for it over a period of time. Thousands are doing the same. Canada Permanent is ready to help you also to SAVE and BUILD. Its faith in the future of Canada has remained unswerving since 1855.

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Groundwood Pulp, News Sulphite Pulp
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Hamilton Ontario

The attractive K-line Internationals are available in a wide variety of body styles. This is the Model K-5 with special stake body.

INTERNATIONAL TRUCKS

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING FEBRUARY 10

A

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
.90	.60	.	...	Abitibi	175	.60	.65	.65	.65
8	4	.	...	Do. pref. 6%	1842	5¼	5¾	4¾	5¼
12⅜	10	.	...	Do. pref. 7%	....	(— bid 12⅜ asked)			
2	2	.	...	Acme Glove	....	(1 bid — asked)			
51	50	6.50	12.7	Do. pref.	....	(— bid 60 asked)			
11½	11½	80+20c	8.7	Agnew Surp.	....	(11½ bid — asked)			
108	107	7	6.5	Do. pref.	....	(107 bid — asked)			
1.50	1.25	.	...	Alta. Pac. Gr.	20	1.25	1.25	1.25	1.25
29	25	.	...	Do. pref.	30	29	27	26	27
10	7½	.	...	Algoma Steel	135	7⅞	8	7½	8
97½	92	♦2.50	...	Do. pref.	....	(89 bid — asked)			
115	106	8	7.5	Aluminum	30	107	107	106	107
120	117	6	5.1	Do. pref.	25	120	117	117	117
§6½	5	.	...	Amal. Electric	....	(7 bid — asked)			
§43	34½	*60c	..	Amer. Cyn. B.	....	(— bid — asked)			
46	45½	2.75	6	Ang. Can. Tel. p	30	46	45½	45½	45½
17	14¾	60+60c	7	Asbestos	475	16¼	16¼	16	16
15½	14½	♦1.35	9	Assoc. Brew.	65	15	15	14¾	14¾
108½	108½	7	6.4	Do. pref.	....	(110 bid — asked)			
•2	2	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
§24	24	48c	...	Do. pref.	....	(— bid 24 asked)			
§103	101	5.50	5.3	Ault & Wiborg.	....	(100 bid 103 asked)			

B

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
147	140	8	5.5	Bk. Can. Nat.	....	(147 bid — asked)			
195	180	8	4.4	Bk. Montreal	53	180	182	180	180
284	279	12	4.2	Bk. N. Scotia	2	283	284	284	284
250	245	10	4	Bk. Toronto	....	(248 bid 250 asked)			
•5	4½	.	...	Barcelona	....	(— bid — asked)			
1½	1½	.	...	Barker's Bread	....	(— bid 1½ asked)			
§28	19	2.50	9.2	Do. pref.	....	(— bid 36 asked)			
13	11½	1	8.3	Bathurst Pr.	843	11⅞	12	11½	12
2½	1⅞	.	...	Do. (B)	....	(2¼ bid 3 asked)			
2½	2	.	...	Beath & Sons	20	2½	2	2	2
8	7	.	...	Beatty Bros.	....	(4½ bid 6 asked)			
102	101	6	5.9	Do. pref.	40	101	102	102	102
§90	88	7	7.9	Do. 2nd pref.	....	(82 bid 90 asked)			
10	9	.	...	Beauharnois	1518	9⅞	10	9⅞	10
80	80	4	5	Belding Cort.	1	..	80	80	80
127	127	7	5.5	Do. pref.	....	(124 bid 127 asked)			
160½	156	8	5.1	Bell Telephone	757	157	157¼	156	156½
8⅞	8½	60+15c	..	Biltmore Hats	....	(8½ bid 8⅞ asked)			
5½	5	.	...	Blue Ribbon	....	(6 bid 7 asked)			
37½	35½	2.50	6.8	Do. pref.	....	(— bid 36½ asked)			
20⅞	20	1.30	6.3	Brant. Cord. pf.	....	(20½ bid 22 asked)			
7⅞	5½	.	...	Brazilian Tr.	2429	5½	5⅞	5½	5⅞
5½	3½	50+25c	..	Brew. & Distil.	560	4½	4½	4	4½
§6½	4	30c	7.5	Bright, T. G.	....	(6½ bid — asked)			
§90	89	6	6.7	Do. pref.	....	(90 bid — asked)			
18⅞	16½	1	5.9	Brit. Amer. Oil	2667	17	17¼	16½	16½
12½	10	.	...	B. C. Packers	107	12½	12½	12	12½
26½	24⅞	2	8	B. C. Power A.	172	25½	25½	24⅞	24⅞
1.30	1.25	.	...	Do. (B)	305	1.30	1.35	1.25	1.35
5½	4⅞	.	...	Bruck S. Mills	80	5	5	5	5
15⅞	14	70+10c	5.4	Building Prod.	835	14½	15	14½	15
10⅞	9	60c	6.7	Burlington St'l	25	9⅞	9	9	9

C

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
§70	70	.	...	Calgary Power	....	(— bid 70 asked)			
102	101	6	5.9	Do. pref.	10	101	101½	101½	101½
2½	2	.	...	Canada Bread	185	2	2½	2	2
100	97½	5	5	Do. pref.	....	(97½ bid 100 asked)			
40	37	2.50	6.4	Do. pref. B	....	(38 bid 38½ asked)			
4½	4½	40c	...	Canada Bud	150	4½	4½	4½	4½
6⅞	4⅞	.	...	Canada Cement	166	5	5	4⅞	5
100	94	5	5.2	Do. pref.	187	96	98	95	98
§4½	4½	10c	..	Can. Cr. Stone	....	(4½ bid 8 asked)			
102⅞	102⅞	5	4.9	Canada Cycle, p	....	102⅞ bid 106 asked			
27	26	1.50	5.6	C. & D. Sugar	50	26	26½	26½	26½
15½	15½	1.50	9.7	Can. Forg. (A)	....	(16 bid — asked)			
§22	13	1.50	8.8	Do. (B)	....	(15 bid — asked)			
§40	25	♦4.50	...	Can. Iron	....	(31 bid — asked)			
70	70	♦7	...	Do. pref.	....	(72 bid — asked)			
§390	390	20	...	Canada Life	....	(380 bid — asked)			
§4	1	.	...	Can. Mach'y	....	(3½ bid — asked)			
§32	25	♦3.50	...	Do. pref.	....	(38 bid — asked)			
39	36	2+50c	6.9	Can. Malting	55	37	36	36	36
8⅞	6	♦1.13	...	Can. Nor. Pr.	78	6	7½	7	7½
97	95	7	7.3	Do. pref.	12	97	96	96	96
87½	83½	3+1	4.8	Can. Packers	5	84	83½	83½	83½
§.25	.25	.	...	Can. Paving, p.	....	(— bid 1.00 asked)			
136	128	8	6.2	Can. Perman.	86	130½	130	128	130
9	8	♦1	...	Can. Starch	....	(7 bid — asked)			
§110	109	7	6.4	Do. pref.	....	(106 bid — asked)			
5½	4	.	...	Can. Steamsh's.	389	4½	4½	4	4½
20½	17½	♦62½c	...	Do. pref.	359	18⅛	18⅞	17⅞	18⅞
8	7	40c	5.3	Can. Vinegars	45	7⅞	7½	7½	7½
61	57	4	6.9	Can. W. Cable	71	57½	58	57	58
23	18⅞	♦1.25	6.6	Do. (B)	....	(17½ bid 50 asked)			
107	107	6.50	6.1	Do. pref.	....	(105½ bid — asked)			
⅞	⅞	.	...	Can. Bakeries	....	(⅞ bid 1½ asked)			
§64	30	3	...	Do. pref.	....	(20 bid 31 asked)			
163	155	8	5.2	Can. Bk. Com.	80	155	158	155	155
1.00	.90	.	...	Can. Breweries	2495	.90	.90	.90	.90
25	22	3	...	Do. pref.	468	23½	23	22	22
36	35½	1.50+50c	5½	Can. Bronze	60	35½	35½	35½	35½
104½	104	5	4.8	Do. pref.	....	(104⅞ bid — asked)			
6½	5	♦37½c	..	Can. Canners	225	6	5	5	5
20	18½	1+5c■	5.5	Do. 1st pfd.	15	18½	19	19	19
10	9	60+5c■	7	Do. 2nd pfd.	....	(9⅞ bid 9½ asked)			
10½	6½	.	...	Can. Car & F'y	710	7¼	7⅞	7	7½
27½	20⅞	44c	...	Do. pref.	785	25	25	24	25
29	23½	♦1+90c	..	Can. Celanese	265	24	25	23½	24
124	117	7	5.9	Do. pref.	50	120	118½	117	117
23	23	1	4.3	Do. Rights	50	23	23	23	23
19	17½	1	5.5	Can. Convert.	60	19	18½	18½	18½
98	90	4+2	6.1	Can. Cottons	....	(94 bid 100 asked)			
112	105	6	5.3	Do. pref.	....	(111 bid 114 asked)			
21	16½	1.50	9.1	Can. Dredge	60	17½	17	16½	17
§101	100	6	6	Can. Fairb. pf.	....	(98½ bid — asked)			
10½	9	1.40	...	Can. For. Inv.	50	10½	10	10	10
104	104	8	7.7	Do. pref.	....	104 bid 104½ asked			
220	215	8	3.6	Can. Gen. Elec.	....	(210 bid — asked)			
8½	7	50c	...	Can. G. Inv.	25	7⅞	7	7	7
3	2	15c	...	Can. Ind. Alc.	691	2½	2½	2	2
2⅞	2	15c	...	Do. (B)	25	2½	2	2	2
208	185	7	3.7	Can. Indust. B.	41	190	189	185	185
176	170	7	4.1	Do. pref.	3	173	171	171	171
§.30	.10	.	...	Can. Int. I. Tr.	....	(.25 bid .50 asked)			
48	41	2	4.9	Do. pref.	20	43	43	41	41
13	12	1	7.7	Can. Lt. & Pr.	....	(13 bid 18 asked)			
9	7	.	...	Can. Locomo.	17	8	8	7	7
.95	.75	♦4c	...	Can. Marconi	655	.85	.85	.75	.85
17	16	50+50c	6	Can. Oil	20	16	16	16	16
121	118	8	6.6	Do. pref.	5	120	121	121	121
6½	5	.	...	Can. Pacific	2516	5	5½	5	5½
.50	.25	.	...	C. Pr. & Pa. In.	....	(.25 bid .50 asked)			
2½	1⅞	.	...	Do. pref.	....	(2 bid 2½ asked)			
3½	2½	.	...	Can. Vickers	155	2⅞	2⅞	2½	2½
15	13	.	...	Do. pref.	80	15	13	13	13
9	9	1	...	C. Wallpaper A.	....	(9 bid 10 asked)			
9	8	1	...	Do. (B)	....	(8 bid 9 asked)			
44⅞	42	87½c	..	Can. West'ho'se	....	(40 bid — asked)			
4	3½	15c	..	Can. Wineries	25	4	3⅞	3⅞	3⅞
20½	19	1.50	7.9	Can. Wire Box.	10	19½	19	19	19
1.25	1.05	.	...	Capital Estates	....	1.05 bid 1.25 asked			
119	119	5	4.2	Carnation, pfd.	....	(118½ bid — asked)			
§18	8½	50c	...	Catelli Food	....	(7⅞ bid 9 asked)			
10	9⅞	75c	7.7	Do. pref.	120	9⅞	9⅞	9⅞	9⅞
2.00	2.00	.	...	Celtic Knit	25	..	2.00	2.00	2.00
155	155	8	5.2	Cent. Can. L'n.	....	(— bid — asked)			
92	92	4+1	5.4	Chart. Trust	....	(90 bid 105 asked)			
.32	.19	.	...	Chem. Research	....	(.21 bid .26 asked)			
.30	.30	.	...	City Gas & El.	....	(.35 bid 1.00 asked)			
§.15	.03	.	...	Claude Neon	....	(.05 bid .20 asked)			
1.35	1.32	12c	...	Coast Brew	100	1.33	1.32	1.32	1.32
6½	4⅞	.	...	Cockshutt Plow	130	5	5	4⅞	5
1.95	1.65	10c	...	Comm. Alcohol	100	1.75	1.80	1.80	1.80
6	5½	40c	7.3	Do. pref.	....	(— bid 5½ asked)			
§4⅞	3½	♦40c	..	Conduits Nat.	....	(2½ bid 5½ asked)			
14	[illegible]	1+25c	10	Cons. Bakeries	115	12⅞	12½	12½	12½
§.10	.05	.	...	Cons. Div. Sec.	....	(.01 bid .08 asked)			
§11	6½	75c	...	Do. pref.	....	(7½ bid 14 asked)			
4	3	.	...	Cons. Paper	2752	3½	3½	3	3½
3⅞	3½	.	...	Cons. Press	25	3⅞	3½	3½	3½
§75	65	♦4.75	..	Cons. Sand, pf.	....	(3½ bid 3½ asked)			
39½	35	1+1.25	6.2	Cons. Smelters	728	36	36½	35	36
145	141	10	7.1	Consumers' Gas	41	143	143	141	141
30	30	♦1.75	..	Corr. P. Box, p.	23	..	30	30	30
25	22	1.20+15c		Cosmos Imp.	....	(22 bid 24½ asked)			
31	29	2	6.7	Crown Cork	....	(27½ bid 31 asked)			
1½	1½	.	...	Crown Dom. Oil	50	..	1½	1½	1½
31	30½	3	9.8	Crow's N. Coal.	10	31	30½	30½	30½
1.05	.75	.	...	Cub Aircraft	200	.80	.80	.80	.80

D, E

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
10½	10½	1+10c	10	David & Fre. A	....	(10½ bid — asked)			
§3⅞	1	.	...	Do. (B)	....	(— bid 2½ asked)			
8½	7	.	...	de Havilland	100	7	7	7	7
75	75	♦7	...	Do. pref.	....	(8 bid — asked)			
§3⅞	1½	.	...	Disher Steel	....	(1½ bid — asked)			
§15½	10	♦1.50	...	Do. pref.	....	(10 bid 15 asked)			
28½	24	2.22	8	Distill-Seagram	625	25½	25	24	25
97½	96½	5	5.1	Do. pref.	....	(94 bid 97½ asked)			
§39⅞	39⅞	♦1	...	Dom. Ang. Inv.	....	(30 bid — asked)			
70	70	5	7.2	Do. pref.	....	(70 bid 84 asked)			
200	193	10	5.1	Dom. Bank	5	195	197	195	195
26⅞	22½	1.20	5.2	Dom. Bridge	480	24	23½	22½	23½
21	19	1.50	7.9	Dom. Coal, pf.	100	19	19½	19	19
28	28	.	...	Dom. Engineer.	....	(— bid 30 asked)			
23½	19	1	5.1	Dom. Foundries	480	19⅞	20	19	19½
§110	103½	6	5.7	Do. pref.	....	(107 bid 110 asked)			
126	119	5	4.2	Dom. Glass	35	125	120	119	119
150	150	7	4.7	Do. pref.	30	150	150	150	150
29½	29½	1.20+40	5.4	Dom. Oilcloth	....	(29 bid 30½ asked)			
§1.50	1.00	.	...	Dom. Scot. Inv.	....	(.45 bid .85 asked)			
§31	24½	♦2.25	...	Do. pref.	....	(25 bid 26 asked)			
1⅞	1⅞	.	...	Dom. Square	....	(1⅞ bid 2 asked)			
9⅞	7⅞	.	...	Dom. St. & C.B.	2309	8	8½	7⅞	8½
5	4	.	...	Dom. Stores	176	4½	4½	4	4½
4⅞	3½	.	...	Dom. Tar & Ch.	205	4	4	3⅞	4
86½	85	5.50	6.5	Do. pref.	15	86½	85	85	85
83	77	5	6.5	Dom. Textile	60	77	77	77	77
150	140	7	4.7	Do. pref.	....	(150 bid 155 asked)			
1⅞	1	.	...	Dom. Woollens	270	1⅞	1⅞	1½	1½
8	7	60c	...	Do. pref.	....	(6½ bid 7½ asked)			
5⅞	4½	.	...	Donnacona P.A.	360	4½	4½	4½	4½
5½	4½	.	...	Do. (B)	....	(3½ bid 4½ asked)			
5½	4½	.	...	Dryden Paper	340	5	5	4½	4½
.50	.50	.	...	East Koot. Pr.	....	(— bid — asked)			
7	7	.	...	Do. pref.	....	(7 bid 10 asked)			
.45	.45	.	...	East Dairies	....	(.50 bid .55 asked)			
9	8	.	...	Do. pref.	5	8½	8	8	8
13½	13	1	7.7	East Steel	....	(10 bid 12 asked)			
§6½	6½	.	...	East Theat.	....	(— bid — asked)			
§4½	2⅞	.	...	Easy Washing	....	(— bid 3½ asked)			
23	22	♦1.75	..	Economic Inv.	160	..	23	22	23
8	7⅞	20c	...	Electrolux	25	8	7⅞	7⅞	7⅞
3	3	.	...	Enam. & Heat.	....	(2 bid 2½ asked)			
29	25	2.50	10	English Electric	....	(24 bid — asked)			
5	5	.	...	Do. (B)	....	(3 bid 5 asked)			
5½	5	15c	...	Equitable Life	172	5	5½	5	5½

F, G

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
3	2½	.	...	Fairchild Air	150	2½	2½	2½	2½
20	18	1	5.6	Fam. Players	5	20	18	18	18
28	24½	1.50+25c	7	Fanny Farmer	855	25½	25½	24⅞	24⅞
6	3⅞	.	...	Fleet Aircraft	780	4	4½	3⅞	4
§1.50	.75	.	...	Fleury Bissell	....	(.20 bid .75 asked)			
15	13	.	...	Do. pref.	15	14	14	13	13
15⅞	14⅞	1	6.4	Ford Motor A.	920	15⅞	15⅞	15½	15½
§21½	14	1	6.7	Do. (B)	....	(15½ bid — asked)			
§.20	.05	.	...	For. Pr. Secs.	....	(— bid — asked)			
12½	11	♦50c	..	Foundation Co.	....	(10⅞ bid 12 asked)			
9	6	.	...	Fraser Cos.	111	7	7	6	7
10½	7½	.	...	Do. Vot. Tr.	1037	8½	8	7½	8
§.50	.50	.	...	Freiman	....	(— bid — asked)			
42	41	.	...	Do. pref.	25	41	42	42	42
9⅞	7½	80c	10	Gatineau Pwr.	475	8⅞	8½	7½	7⅞
90	80	5	6.1	Do. pref.	86	84	84	80	80
95½	92	5.50	5.9	Do. 5½% pref.	50	95	94	92	92
1½	1	.	...	Do. Rights	....	(— bid 1½ asked)			
6½	4½	.	...	Gen. St. Wares	291	4½	4⅞	4½	4½
94	91	7+76c■		Do. pref.	....	(88½ bid 92½ asked)			
80	74	2.50+2.50	6	Goodyear T.	20	78	76	74	76
55	53½	2.50	4.5	Do. pref.	51	53½	55	54	55
*50	50	♦7		Gould Pumps, p	....	(54 bid — asked)			
§8	4	.	...	Gt. Lakes Pap.	....	(4 bid 7 asked)			
§29	18½	♦1.25		Do. pref.	....	(— bid 27 asked)			
3½	1⅞	.	...	Do. Vot. tr. c.	....	(2 bid — asked)			
19⅞	15	♦1.25		Do. Vot. tr. p.	55	17	17	15	15
4⅞	1⅞	.	...	Gt. W. Saddlery	768	3	4½	3	4½
§35	24	♦3		Do. pref.	....	(20 bid 35 asked)			
11½	11½	60c	5.4	Greening Wire	....	(11 bid 12½ asked)			
§1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
4½	3½	.	...	Gurd, Chas.	....	(3½ bid — asked)			
§107½	106½	7	6.5	Do. pref.	....	(— bid 107½ asked)			
3½	3	.	...	Gypsum, Lime	195	3½	3½	3	3

H, I

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
§21½	21½	1	4.7	Halifax Fire	....	(— bid — asked)			
5½	4	.	...	Ham. Bridge	79	4½	4⅞	4	4⅞
36	34½	2+1.25▲	5½	Ham. Cot., pf.	....	(36 bid — asked)			
.75	.75	.	...	Ham. U. Theat.	....	(.50 bid 1.00 asked)			
65	65	♦5.50		Do. pref.	....	(63 bid 70 asked)			
3½	3	20+10c		Harding Carpet	550	3	3½	3	3½
§.25	.25	.	...	Hillcrest Coll.	....	(.10 bid 1.00 asked)			
§4	2	.	...	Do. pref.	....	(2½ bid 4 asked)			
10½	8½	50c	5.3	Hinde & Dauch	100	9	9½	9	9½
*20	20	.	...	Holt Renfrew	....	(— bid 14 asked)			
§40	20	.	...	Do. pref.	....	(25 bid — asked)			
17½	14½	1	6.9	Honey Dew	30	14½	14½	14½	14½
14⅞	12	.	...	H. Smith Pap.	1300	13½	12	12	12
*101	98½	6	6	Do. pref.	150	98½	100	100	100
18	14½	1	6.7	Humberstone S.	44	15	15	15	15
4½	4½	.	...	Hunts (A)	25	..	4½	4½	4½
5	4½	.	...	Do. (B)	....	(4 bid 5 asked)			
§74½	53	4	7.4	Huron & E. Mt.	....	(55 bid 59 asked)			
§13	8	80c	...	Do. 20% pd.	....	(— bid 10 asked)			
§2⅞	2½	20c	...	Hydro Electric	....	(1 bid 2 asked)			
205	200	10	5	Imperial Bank	23	202	200	200	200
10½	9	50c	5.3	Imperial Oil	3150	9	9½	9	9½
14	12⅞	40+22½c	5	Imperial Tob.	455	13	13½	13	13½
7½	7	6%	4	Do. pref.	400	7	7	7	7
16	14	♦1.75	..	Indust. Accept.	100	15	14½	14	14
§36	25	3	...	Inter-City Bak.	....	(20 bid 36 asked)			
50	50	6+1	...	Inter'c Coal	....	(— bid — asked)			
§120	120	8	6.7	Do. pref.	....	(— bid — asked)			
16⅞	16⅞	1.50	8.9	Inter. Bronze	....	(16 bid — asked)			
25	23½	1.50	6.2	Do. pref.	2	25	24	24	24
.25	.25	3c	...	Int. Coal & C.	2200	..	.25	.25	.25
9½	8⅞	.	...	Int. Metal Ind.	....	(— bid 8½ asked)			
105	100	6	6	Do. pref.	....	(100 bid 105 asked)			
100	99	6	6	Do. pref. A.	20	99	100	100	100
115½	114	5	4.4	Int. Mill., pf.	....	114½ bid 115 asked			
36⅞	33	2	5.9	Int. Nickel	2555	33½	34	33	33½
2½	2	.	...	Int. Paints	....	(2 bid 3 asked)			
§18	11	1+25c■	..	Do. pref.	....	(13½ bid 20 asked)			
16½	16½	.	...	Int. Pap. & P.	....	(— bid 17 asked)			
74⅞	69½	5+1.25▲	7	Do. pref.	75	70	71	69½	71
15⅞	13⅞	♦1.25	8.7	Int. Pete.	2215	14	14½	13⅞	14½
3½	3	.	...	Int. Power	50	3½	3½	3	3½
88	86½	7	7.9	Do. pref.	30	87	88	87	88
*11⅞	10½	.	...	Int. St. Rlty. A.	....	(— bid 10 asked)			
*4	3⅞	.	...	Do. (B)	....	(— bid 4 asked)			
7	6	.	...	Int. Util. (A)	....	(6 bid 9½ asked)			
.25	.15	.	...	Do. (B)	....	(.20 bid .25 asked)			

J, K, L

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
§14½	12	68c	...	Jam. Pub. Ser.	....	(11 bid 13½ asked)			
§135	128	7	5.5	Do. pref.	....	(— bid 129 asked)			
9½	9	1	...	Kelvinator	22	9	9½	9½	9½
11	9	.	...	L. St. John Pr.	....	(8⅞ bid 10 asked)			
1.00	.75	.	...	Lake Sulphite	....	(.65 bid .90 asked)			
16	15	1	...	Lake of Woods	....	(— bid 15 asked)			
113	111	7	6.3	Do. pref.	....	(111 bid — asked)			
53	45	4	8.9	Landed Bank	31	53	45	45	45
12	11	70+30c	9	Lang. J. A.	....	(10½ bid 14½ asked)			
*3½	2½	.	...	Langley's	....	(— bid 1 asked)			
17	15	.	...	Do. pref.	10	15	15½	15½	15½
10½	9½	80c	8.2	Laura Secord	575	9½	9½	9½	9½
12	6½	.	...	Legare, pref.	55	11	9	9	9
§3	3	15c	...	Levy Bros.	....	(3 bid — asked)			
5	4½	.	...	Lindsay, C. W.	125	5	4½	4½	4½
50	50	.	...	Do. pref.	15	..	50	50	50
27	25	1+25c	5	Loblaw (A)	490	25½	25	25	25
26	23½	1+25c	5.4	Do. (B)	215	24	24	23½	24

M

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
1.00	1.00	.	...	Mackenzie Air	165	1.00	1.00	1.00	1.00
2	2	.	...	Mackin. Steel	....	(— bid — asked)			
55	55	♦2.12½		Do. pref.	....	(— bid 75 asked)			
15½	14	.	...	Maclaren Pr. p.	329	14½	14½	14	14½
8	7	.	...	M. L. Gardens	30	7	8	8	8
7½	7	70c	...	Do. pref.	192	7	7	7	7
2⅞	2	.	...	Maple Leaf M.	....	(1⅞ bid 1⅞ asked)			
4⅞	3	.	...	Do. pref.	....	(2⅞ bid 4 asked)			
16½	16½	70+10c	..	Maritime Tele.	....	(16½ bid — asked)			
§17½	16	70c	4.4	Do. pref.	....	(16⅞ bid — asked)			
14⅞	14⅞	.	...	Marcus Loew's	25	..	14⅞	14⅞	14⅞
*100	100	7+7▲	..	Do. pref.	....	(— bid — asked)			
3⅞	2½	.	...	Massey-Harris	835	2⅞	2⅞	2½	2⅞
31½	25	.	...	Do. pref.	175	27	26⅞	26	26
5½	4	.	...	McColl Fron.	35	5½	5½	4⅞	4⅞
98	93½	6	6.2	Do. pref.	46	95½	96	95	96
1.25	1.00	.	...	Melchers	25	1.25	1.25	1.25	1.25
5½	5½	30c	...	Do. pref.	41	5½	5½	5½	5½
*1½	1½	.	...	Mercantile Tran	....	(1½ bid — asked)			
*5	5	6%	...	Do. pref.	....	(4⅞ bid — asked)			
7½	6½	.	...	Mercury Mills	105	6½	6½	6½	6½
§47	43	2.50	..	Mitchell, J. S.	....	(— bid 50 asked)			
112	112	7	6.2	Do. pref.	....	(112 bid — asked)			
9½	8½	.	...	Mitchell, Robt.	20	8½	8½	8½	8½
16½	15⅞	80+40c	7½	Mod. Contain.	....	(16½ bid 17 asked)			
98	98	5.50	5.6	Do. pref.	5	..	98	98	98
§6	2	.	...	Monarch Knit.	....	(2 bid — asked)			
75	75	♦7	...	Do. pref.	....	(— bid 85 asked)			
63	55	4	6.4	Montreal Cot.	292	60	62½	55	62½
118	116	7	6	Do. pref.	81	118	118	116	116
§.25	.10	.	...	Mont. Is. Pr.	....	(.25 bid .50 asked)			
29½	26	1.50	5.7	Mont. L. & Pr.	3450	26½	26½	26	26½
50½	49½	.	...	Do. Notes	15	49½	49½	49½	49½
§15	15	♦1.62½	..	Montreal Loan	....	(— bid — asked)			
§.85	.16	.	...	Mtl. Refrig & S	....	(.50 bid .85 asked)			
§10½	6	1.25	...	Do. pref.	....	(10 bid — asked)			
30	30	3.20	10.6	Montreal Tele.	10	30	30	30	30
52	50	6	12	Montreal Trams	20	50½	50½	50½	50½
47½	44	♦1.70+60c	5	Moore Corp.	173	45	45½	44	44½
188	185	7	3.6	Do. pref. (A)	....	(176 bid 183 asked)			
279	279	7	2.5	Do. pref. (B)	....	(263 bid — asked)			
.05	.05	.	...	Muirheads	100	.05	.05	.05	.05
§1	1	.	...	Do. pref.	....	(— bid — asked)			

N, O

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
27½	25½	2	7.5	Nat. Breweries	1056	26	26½	25½	26½
38⅞	36	1.75	4.8	Do. pref.	20	37⅞	36	36	36
5	4½	.	...	Nat. Grocers	....	(4 bid 4½ asked)			
25⅞	24½	1.50	6	Do. pref.	....	(24½ bid 25½ asked)			
7½	7	.	...	N. Sew. Pipe A.	5	7	7½	7½	7½
38½	35	2	5.7	Nat. Steel Car.	230	35½	36	35	36
§193	180	8	5	National Tr.	....	(140 bid 150 asked)			
§9½	9½	♦60c	...	Neon Prod.	....	(— bid — asked)			
25½	23	2	8.6	Niag. W. Weav.	....	(— bid 25 asked)			
3	2½	.	...	Noorduyn Av.	....	(2½ bid 3 asked)			
.90	.80	.	...	North Star Oil	....	(.80 bid .90 asked)			
3⅞	3⅞	35c	...	Do. pref.	100	3½	3½	3⅞	3⅞
80	80	6	7	N. S. L. & Pr.	....	(87 bid — asked)			
106	106	6	5.7	Do. pref.	4	..	106	106	106
21½	20	1	4.8	Ogilvie Flour	605	21	21	20	21
155	155	7	4.5	Do. pref.	35	..	155	155	155
106⅞	*105½	5	4.7	Ontario Loan	....	105⅞ bid 113⅞ asked			
§5½	2	.	...	Ont. Silknit	....	(— bid 4½ asked)			
45	35	.	...	Do. pref.	....	(30 bid 45 asked)			
7	7	.	...	Do. Scripts	....	(7 bid — asked)			
10	8½	♦1	...	Ont. Steel	....	(8½ bid 10 asked)			
§115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
1.30	1.30	.	...	Orange Crush	20	..	1.30	1.30	1.30
6½	6½	70c	10.8	Do. pref.	....	(— bid 6½ asked)			
8½	8½	40c	4.8	Ott. Car Air.	....	(— bid 7 asked)			
14½	14	1.20+30c		Ottawa El. Rly.	....	(13½ bid 15 asked)			
11	9	1	11.1	Ott. L. H. & Pr.	305	9½	9½	9	9
95	95	5	5.3	Do. pref.	....	(97½ bid — asked)			

P, Q, R

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
§21	18	3c		Pacific Coyle	....	(20 bid — asked)			
104	99½	5+50c	5½	Page Hersey	126	100	101	99½	101
§6	3½	.	...	Pantepec Oil	....	(— bid — asked)			
§40	30	2	...	Paton Mfg.	....	(25 bid — asked)			
§115	115	7	6.1	Do. pref.	....	(110 bid 120 asked)			
50	49	3	6.1	Penmans	....	(— bid 55 asked)			
123	120	6	5	Do. pref.	....	(122 bid — asked)			
16½	15	1+50c	10	Photo Eng.	25	15	15	15	15
98	95½	7	7.2	Porto Rico Pr p	....	(98 bid 100 asked)			
6	4½	60c	12.6	Power Corp.	135	5	5	4½	4½
96	90½	6	6.6	Do. pref.	33	92	92½	90½	90½
43	40	3	7.5	Do. 2nd pref.	10	43	40	40	40
9½	8½	1	...	Pressed Metals	75	9	8½	8½	8½
12½	9⅞	.	...	Price Bros.	793	10	10½	9⅞	10
70	68	5.50	8.1	Do. pref.	....	(— bid 68 asked)			
6⅞	6	40c	6.4	Prov. Transport	255	6½	6½	6½	6½
14½	13	1	7.7	Quebec Power	120	13	13½	13	13
4	4	.	...	Que. Telephone	....	(4 bid — asked)			
24	24	2	8.3	Real Estate L'n	....	(24 bid 28 asked)			
5	5	25c	...	Regent Knit	....	(5 bid 5½ asked)			
18	18	1.60	...	Do. pref.	....	(17½ bid 18 asked)			
4½	4½	.	...	Reliance Grain	....	(2½ bid 4½ asked)			
§66	64	6.50	10	Do. pref.	....	(55 bid 65 asked)			
17	16⅞	2	11.8	River S. Mill	10	17	17	17	17
5	2	.	...	Rogers Majest.	2037	4½	4⅞	4½	4½
§19½	12	♦75c	5.8	Rolland Pap.	....	(— bid — asked)			
11	11	♦75c	6.8	Do. Vot Trust	5	..	11	11	11
95	94	6	6.3	Do. pref.	15	95	95	95	95
167½	158	8	5	Royal Bank	30	158	160	160	160
15⅞	14	80c	5.2	Russell Indust.	....	(15 bid 15½ asked)			
151	150	7	4.7	Do. pref.	....	(150 bid 152 asked)			

S

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
107	104½	5.50	5.2	Saguenay Pr. p	30	106	105	105	105
34½	34½	1.50+50c	6	Sangamo	....	(— bid 34½ asked)			
9	9	.	...	Sarnia Br. (A)	....	(6½ bid 9 asked)			
§2½	1½	.	...	Do. (B)	....	(1 bid 2½ asked)			
17	15½	90c	5.5	Shawinigan Pr.	745	16½	16½	16½	16½
12½	11	.	...	Sher. Wms.	....	(9 bid 11½ asked)			
115	110	7+5.25▲	6	Do. pref.	15	115	112	111	112
4½	3	.	...	Silverwoods	100	3⅞	3½	3	3
6½	6	40c	6.7	Do. pref.	120	6	6	6	6
§9	5½	60c	...	Simon & Son	....	(6 bid 6½ asked)			
105½	105½	7	6.6	Do. pref.	....	(— bid — asked)			
•11	11	.	...	Simpson, A.	9	11	11	11	11
5	3½	.	...	Do. (B)	5	4½	4½	4½	4½
100	93	6.50+1▲	7	Do. pref.	30	94	93½	93	93
§130	126	6	4.8	Simpson, R., pf.	....	(132 bid 140 asked)			
10½	10½	80c	7.6	So. Can. Pr.	60	10½	10½	10½	10½
106	102½	6	5.7	Do. pref.	9	104	106	105	105
2½	2	.	...	St. Law. Corp.	435	2½	2½	2	2½
17	15½	1	6.2	Do. (A)	330	16	16	15½	16
20⅞	20⅞	1+50	7.2	St. Law. Flour.	....	(20 bid — asked)			
112	111	7	6.2	Do. pref.	....	(112 bid 115 asked)			
40½	35	2	5.7	St. Law. Pap. p.	40	36	35½	35	35
10½	10	♦1+25c	..	Stand. Chem.	13	10½	10½	10	10
§2	1	.	...	Stand. Clay	....	(— bid 3½ asked)			
.90	.50	.	...	St. Pav. & Mat.	100	.75	.50	.50	.50
3½	2½	.	...	Do. pref.	....	(3 bid 4 asked)			
25	22	60+60c	5	Stedman Bros.	13	22	24	24	24
70	63	1.75‡	5.8	Steel of Can.	182	64½	65	63	64
74	68	1.75	2.6	Do. pref.	232	69½	69½	68	68
3	2	.	...	Sterling Coal	....	(3 bid 4 asked)			
.15	.15	.	...	Stop & Shop	73	..	.15	.15	.15
§12½	10	80c	8	Stuart, D.A. pf.	....	(10½ bid 14 asked)			
§3½	2⅞	.	...	Supersilk H. A.	....	(— bid 2⅞ asked)			
§4⅞	4	.	...	Do. (B)	....	(3 bid — asked)			
§82	72	5	6.9	Do. pref.	....	(— bid 77 asked)			
26	25	1+50c	6	Sup. Pete. ord.	....	(23 bid 30 asked)			
27	25	1+50c	5.6	Do. com.	300	25	27	26½	27

T, U, V

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
11	10½	80c	7.4	Tamblyn	55	11	11	10½	11
52½	52½	2.50	4.8	Do. pref.	....	(52½ bid — asked)			
§3	3	.	...	Thayers	....	(1½ bid 6 asked)			
§36	20	2.50	...	Do. pref.	....	(20 bid 35 asked)			
2	2	.	...	Thrift Stores	....	(— bid — asked)			
9	9	.	...	Do. pref.	....	(8 bid 11 asked)			
9⅞	9	60c	6.7	Tip Top Tailors	....	(— bid 10½ asked)			
107	107	7	6.5	Do. pref.	....	(102 bid 107 asked)			
1.50	1.50	.	...	Tooke Bros.	....	(1.00 bid — asked)			
§12	5	.	...	Do. pref.	....	(12 bid — asked)			
21½	19	1	5.2	Tor. Elevators	10	20	19½	19	19½
45½	44	2.62½	6	Do. pref.	90	45½	45	44	44
80	75½	4	5	Tor. Gen. Tr.	20	75½	80	80	80
80	75	5	6.2	Toronto Mtge.	....	(81 bid 82 asked)			
149	145	7	4.7	Tuckett Tob. p.	6	145	148	145	148
2	1½	.	...	Twin City	....	(1½ bid 2 asked)			
26½	26½	.	...	Do. pref.	....	(— bid — asked)			
14½	13½	80+20c	7.5	Union Gas	275	13½	13½	13½	13½
13	13	♦80c	6.2	Un. Amuse. A.	....	(13 bid — asked)			
13	13	♦80c	6.2	Do. (B)	....	(13 bid — asked)			
.72	.72	.	...	United Distill.	600	..	.72	.72	.72
38½	35½	3	8.3	United Fuel, pf.	35	36	36	35½	35½
5⅞	4	.	...	Do. B. pref.	....	(4 bid 4½ asked)			
§5⅞	2½	.	...	United Secs.	....	(4⅞ bid — asked)			
4	3	.	...	United Steel	1235	3½	3⅞	3	3½
4	4	.	...	Viau Bisc.	100	4	4	4	4
§60	45	5	10	Do. pref.	....	(45 bid — asked)			

W, Y, Z

Range 1941 High	Low	Div R'te $	Feb. 8 Y'ld %		Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
28½	25	2	8	Wabasso Cot.	100	27	25	25	25
48	39⅞	4	9.9	Walker-Good.	825	40½	42½	39⅞	40½
20½	19⅞	1	5	Do. pref.	453	20	20½	19⅞	20½
.80	.75	♦5c	...	Walkerville Br.	....	(.60 bid .75 asked)			
§135	120	7	5.4	W. Koot. Pr. pf	....	(130 bid — asked)			
1.75	1.25	.	...	West. C. Flour.	10	1.75	1.25	1.25	1.25
25½	22	.	...	Do. pref.	33	22	23	22	22
50	46	3	6.2	West Grocers	9	50	48	48	48
§112	103	7	6.3	Do. pref.	....	(96 bid 125 asked)			
§11⅞	11⅞	50c	4.2	W'minster Pap.	....	(— bid — asked)			
11½	9½	80c	7.8	Weston Ltd.	254	10½	10½	10	10½
98	95	5	5.3	Do. pref.	15	96½	95	95	95
18½	18	1	5.6	Wilsils	....	(— bid 18 asked)			
1.15	.80	.	...	Winnipeg El. A.	204	1.00	1.00	.80	1.00
1.40	.65	.	...	Do. (B)	17	.95	.65	.65	.65
8	6	.	...	Do. pref.	53	6½	6	6	6
85	85	7	8.2	Wood A. & J. p	....	(80 bid 95 asked)			
50	45	.	...	Woods Mfg., pf.	27	50	50	50	50
5½	5	20c	..	York Knitting	....	(5½ bid 8 asked)			
•100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
9½	8½	.	...	Zellers	35	9½	9½	9½	9½
24½	24½	1.50	6.1	Do. pref.	1361	24½	24½	24½	24½

Quotations: § 1940. • 1939. * 1938.
▲ On account of arrears. ♦ Paid in 1940.
‡ Plus extra of $2 paid Feb. 1, 1941. ■ Participating.
° Plus stock div. of $1.50.

Mining Stocks

Week Ending February 10

A

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
No	.17	.12	Aldermac	4,400	.13	.13	.12	.12
1	.01½	.01	Amm. Gold	8,000	.01	.01½	.01½	.01½
No	2.75	2.25	Anglo-Huronian	1,265	2.50	2.45	2.40	2.40
No	*.40	.25	Argus Interests	......	(.30 bid .40 asked)			
No	*.03	.01	Arno	......	(.... bid .02½ asked)			
1	.07½	.05½	Arntfield	28,600	.05½	.07	.05½	.07
1	.05½	.04½	Ashley	......	(.04 bid .04½ asked)			
1	.04½	.03	Astoria Quebec	3,250	.04	.04	.03½	.04
1	2.45	1.85	Aunor Gold	5,750	1.85	2.00	1.85	1.93

B

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
1	.16½	.09½	Bagamac	......	(.07 bid .13 asked)			
1	.08	.05	Bankfield	11,804	.05½	.06	.05	.06
No	.11	.08½	Base Metals	9,200	.08½	.09½	.08½	.09
1	.15	.10	Bear Exploration	11,200	.12	.14	.11	.14
1	1.24	1.05	Beattie Gold	7,820	1.09	1.12	1.05	1.05
1	.09	.07½	Beaufor	......	(.07½ bid .08 asked)			
1	1.09	1.00	Berens River	300	1.00	1.00	1.00	1.00
1	.13½	.07½	Bidgood Kirk	5,820	.09½	.10	.08½	.08½
1	.05	.04	Big Missouri	1,500	.05	.05	.04½	.04½
1	.11	.06½	Bobjo	10,900	.08	.08½	.07½	.08½
1	.02½	.02	Bouscadillac G.M.	3,500	....	.02½	.02	.02
No	10.50	9.75	Bralorne	400	9.90	9.90	9.75	9.90
1	.03	.03	Brazil Gold	......	(.02½ bid .05 asked)			
1	.01½	.00½	Brett Trethewey	13,000	.01½	.01	.00½	.01
1	1.10	.86	Broulan Porc.	39,225	.88	.92	.86	.89
1	5.95	4.10	Buffalo Ankerite	125	4.15	4.25	4.15	4.25
No	.04½	.03	Buffalo Can.	19,000	.03½	.04½	.04	.04
5	18.00	17.00	Bulolo Gold	15	18.00	18.00	18.00	18.00
No	*.03½	.01	Bunker Hill	......	(.01½ bid .03 asked)			

C

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
No	.55	.47	Can. Malartic	6,440	.52	.54	.50	.50
1	2.91	2.30	Cariboo Gold	1,500	2.75	2.85	2.80	2.80
1	.01	.01	Cartier Malartic	......	(.01 Feb. 3)			
1	.55	.50	Castle Trethewey	100	.52	.51	.51	.51
1	.07	.06	Cen. Cadillac	2,750	.07	.06½	.06	.06
1	1.95	1.68	Cen. Patricia	2,360	1.75	1.77	1.68	1.68
1	.17	.09	Cen. Porcupine	4,700	.11½	.11½	.11	.11½
1	.18½	.16	Century Mining	6,500	.18	.18½	.17½	.18½
1	1.74	1.38	Chesterville	10,756	1.40	1.47	1.38	1.47
No	.18	.12	Chromium	3,900	.14	.15	.12	.15
5	1.05	1.00	Coast Copper	100	1.00	1.00	1.00	1.00
1	1.04	.76	Cochenour Willans	13,960	.76	.80	.76	.79
No	1.55	1.35	Coniagas	......	(1.25 bid 1.50 asked)			
No	1.55	1.42	Coniaurum	2,750	1.42	1.45	1.42	1.43
5	39.50	35.00	Cons. Smelters	728	36.00	36.50	35.00	36.00

D, E

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
1	1.24	.90	Delnite	1,500	1.10	1.09	1.00	1.09
1	.03½	.02½	Denison Nickel	2,000	.03	.03	.03	.03
No	25.00	23.00	Dome Mines	825	23.75	23.50	23.00	23.00
1	*.04	.01	Dorval Siscoe	......	(.01½ bid .03 asked)			
1	16.63	11.75	Duquesne	37,000	13.50	15.50	13.50	14.50
1	2.95	2.60	East Malartic	18,950	2.61	2.70	2.60	2.63
1	.52	.38	Eldorado	11,834	.39	.43	.38	.41

F, G

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
No	2.60	2.00	Falconbridge	2,525	2.05	2.05	2.00	2.00
1	.06	.04½	Federal	8,500	.05	.05	.04½	.04½
1	.06½	.03½	Fernland	7,500	.04½	.04½	.04	.04½
No	.55	.44	Francoeur Gold	3,600	.44	.45	.44	.44
1	.04½	.03½	Gillies Lake	2,500	.03½	.04	.03½	.04
1	.02	.01½	Glenora	......	(.01½ bid .... asked)			
No	.39	.31	God's Lake	6,183	.32	.32	.31	.32
1	.16½	.12½	Goldale	1,600	.14	.13	.12½	.12½
50c.	.29	.25	Gold Belt	2,000	.25½	.27	.27	.27
1	.10	.07	Gold Eagle	2,500	.08	.08	.07	.07
1	.13	.09	Golden Gate	18,700	.10	.09½	.09	.09
1	.02	.01	Goodfish	1,500	.01	.01	.01	.01
1	.02½	.01½	Graham Bosquet	10,000	.02	.01½	.01½	.01½
No	.06½	.05	Grandora	3,000	.06½	.06	.06	.06
No	.04	.02	Grull Wihksne	......	(.01½ bid .... asked)			
1	.38	.24	Gunnar Gold	31,600	.35	.35	.24	.26

H, I, J

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
1	.02½	.01½	Halcrow Swayze	43,500	.02½	.02½	.01½	.02
1	.01½	.01½	Halliwell Gold	......	(.01½ bid .02½ asked)			
1	5.40	5.00	Hallnor Mines	300	5.40	5.10	5.00	5.10
1	1.10	.84	Hard Rock	6,765	.88	.88	.84	.86
1	.08	.04½	Harker	9,000	.04½	.05	.04½	.04½
1	*.57	.30	Hedley Mascot	......	(.30 bid .... asked)			
5	13.12	12.00	Hollinger	1,644	12.75	13.00	12.75	12.87
1	.30	.25	Howey Gold	1,100	.26	.26	.25½	.26
No	27.00	24.00	Hudson Bay	430	25.00	25.75	24.75	25.50
1	.25	.20	Inspiration	1,200	.24	.24	.24	.24
No	36.75	33.00	Int. Nickel	2,555	33.50	34.00	33.00	33.25
50c.	*1.09	.05	Island Mountain	......	(.71 bid 1.02 asked)			
1	.02½	.02	Jacola	......	(.02½ bid .03 asked)			
1	.27	.18	Jack Waite	2,800	.18	.18	.18	.18
1	.03	.01	Jellicoe	520	.01	.03	.02½	.02½
1	.01½	.00½	J. M. Cons. Gold	1,000	.01½	.01½	.01½	.01½
1	.01½	.01½	Joliet Quebec	......	(.01½ bid .01½ asked)			

K, L

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
1	3.95	3.35	Kerr Addison	12,963	3.40	3.50	3.35	3.45
1	*.45	.20	Kerr Lake	......	(.22 bid .39 asked)			
1	.02	.02	Kirk. Gold Rand	......	(.02 bid .04 asked)			
1	.30	.15	Kirk. Hud. Bay	6,950	.25	.30	.25	.30
1	1.05	.85	Kirkland Lake	5,800	.92	.94	.90	.94
1	.10	.07½	Kirk. Townsite	......	(.08½ bid .09½ asked)			
1	21.00	19.00	Lake Shore	805	19.37	20.00	19.00	19.75
1	5.15	4.75	Lamaque Gold	44	4.85	4.85	4.75	4.75
1	.12½	.07½	Lapa Cadillac	4,500	.08	.08½	.08	.08½
1	.02½	.01½	Lebel Oro	6,500	.02	.02	.01½	.02
1	.60	.46	Leitch Gold	9,550	.49	.48	.46	.48
No	2.06	1.85	Little Long Lac	2,250	1.90	1.90	1.85	1.87

M

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
1	4.30	3.80	Macassa	5,585	3.85	3.85	3.80	3.80
1	2.35	1.95	MacLeod Cockshutt	5,525	1.95	2.02	1.95	1.95
1	.62	.51	Madsen Red Lake	8,450	.51	.56	.51	.56
1	1.17	.95	Malartic Gold	21,750	.95	.98	.95	.96
No	.09	.07	Mandy	500	.07	.07	.07	.07
No	.01	.00½	Man. & Eastern	......	(.00½ bid .01 asked)			
1	.04	.01½	Maralgo	1,400	.03	.02½	.01½	.01½
5	52.25	46.00	McIntyre	630	47.00	48.00	46.00	47.00
1	1.32	1.10	McKenzie R.L.	700	1.14	1.15	1.13	1.15
1	.09	.06	McVittie Graham	......	(.06½ bid .07 asked)			
No	.24	.17	McWatters	9,300	.20	.20	.19	.19
5	*.39	.14	Mentor Exploration	......	(.12 bid .49 asked)			
No	.82	.66	Mining Corp.	2,100	.66	.70	.67	.68
1	*.05	.05	Moffat Hall	......	(.01 bid .... asked)			
1	.55	.46	Moneta	3,600	.48½	.50	.46	.48
1	.06	.03½	Morris Kirk	4,813	.03½	.04	.03½	.04
1	.03	.02½	Murphy	2,000	.02½	.02½	.02	.02½

N, O

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
1	.31	.24½	Naybob	11,900	.25	.26	.24½	.26
No	.02	.01½	Newbec	2,500	.02	.01½	.01½	.01½
1	*.09½	.01	New Golden Rose	......	(.... bid .06 asked)			
5	1.18	1.05	Nipissing	500	1.06	1.05	1.05	1.05
No	58.00	53.90	Noranda	1,870	54.00	54.25	53.00	53.50
No	.50	.40	Nor. Canada	......	(.41 bid .54 asked)			
No	.04	.03	Norgold	1,000	.03	.03	.03	.03
No	.40	.30	Normetals	1,620	.37	.37	.35	.35
1	5.00	5.00	Northern Empire	......	(5.00 bid 6.50 asked)			
1	1.15	.75	O'Brien	5,145	.81	.85	.75	.80
1	.15	.10	Omega	8,674	.13	.12½	.11	.12
1	*.10	.03½	Osisko	......	(.... bid .06 asked)			

P, Q, R

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
No	1.65	1.23	Pamour	3,900	1.25	1.30	1.23	1.24
1	.08½	.06	Pandora	8,000	.06	.06	.06	.06
1	2.70	2.60	Pato Cons. G.	2,400	2.65	2.65	2.65	2.65
1	.05	.02	Partanen Mal.	3,700	.05	.05	.04½	.05
1	.01	.00½	Pawnee Kirk.	......	(.01 bid .01½ asked)			
1	.28	.22	Paymaster	13,457	.22½	.23	.22	.23
1	2.10	1.70	Pend Oreille	1,965	1.75	1.75	1.70	1.74
1	1.69	1.45	Perron Gold	3,006	1.46	1.50	1.45	1.50
1	3.00	2.60	Pickle Crow	5,337	2.65	2.85	2.60	2.75
1	2.30	2.10	Pioneer Gold B.C.	560	2.13	2.20	2.12	2.20
1	9.50	9.00	Placer Devel.	......	(9.00 bid .... asked)			
1	1.04	.80	Powell Rouyn	1,325	.90	.83	.80	.83
1	.95	.90	Premier Gold	1,200	.90	.92	.90	.92
1	3.40	2.82	Preston E. Dome	28,600	2.90	3.10	2.86	3.10
No	.20	.20	Prospectors Air's	500	....	.20	.20	.20
1	*.42	.20	Quebec Gold	......	(.... bid .... asked)			
No	.05	.04½	Quemont	......	(.04 bid .... asked)			
No	.03	.02	Red Crest	2,000	.03	.02	.02	.02
1	*.26	.15	Reeves McDonald	......	(.13½ bid .... asked)			
1	.13½	.10	Reno Gold	500	.11½	.10½	.10½	.10½
1	.00½	.00½	Robb Montbray	......	(.00½ bid .00½ asked)			
1	.05	.03½	Roche Long Lac	4,700	.04	.03½	.03½	.03½

S, T, U, V, W, Y

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
1	2.65	2.20	San Antonio	14,210	2.31	2.30	2.20	2.25
1	.07½	.05	Sand River	2,100	.05	.05½	.05½	.05½
1	.59	.40	Senator Rouyn	9,800	.40½	.46	.41	.43
1	.04	.01	Shawkey	1,000	.01½	.01½	.01½	.01½
50c.	.88	.80	Sheep Creek	......	(.... bid .85 asked)			
1	.87	.70	Sherritt Gordon	7,571	.75	.75	.70	.73
1	8.90	7.50	Sigma Mines	403	7.50	7.50	7.50	7.50
1	.61	.52	Siscoe	6,550	.57	.60	.56	.58
1	.43	.32	Sladen Malartic	2,200	.35	.34	.32	.34
1	.19½	.12	Slave Lake	32,790	.16½	.17	.16	.16½
1	.15	.08½	St. Anthony	22,000	.12½	.13	.11	.11½
No	1.78	1.25	Steep Rock	10,675	1.30	1.32	1.25	1.30
No	.04½	.03½	Straw Lake	14,500	.04	.04½	.03½	.04½
1	.19	.17	Sturgeon River	3,850	.19	.17½	.17	.17
No	1.65	1.25	Sudbury Basin	116	1.30	1.38	1.38	1.38
1	.05½	.04	Sudbury Contact	500	.04½	.04	.04	.04
1	.66	.60	Sullivan Cons.	7,000	.62	.63	.60	.61½
1	2.95	2.60	Sylvanite	3,752	2.70	2.80	2.60	2.60
1	3.75	3.20	Teck Hughes	4,080	3.20	3.35	3.20	3.30
1	.08½	.05½	Temiskaming	......	(.04½ bid .04½ asked)			
1	1.80	1.55	Toburn Gold	......	(1.57 bid 1.70 asked)			
1	.14	.10	Towagmac	1,900	.12	.11½	.10	.11
No	.50	.28½	Trans. Resources	1,000	.30	.30	.28½	.30
1	.39	.30	Uchi Gold	1,625	.33	.33	.32	.32
.	84.00	80.00	Do. Bonds	$1,225	84.00	84.00	80.00	80.00
1	2.28	1.47	Upper Canada	40,570	1.52	1.60	1.47	1.57
No	4.25	3.15	Ventures	1,142	3.30	3.40	3.25	3.40
No	4.20	3.60	Waite Amulet	1,770	3.65	3.70	3.60	3.65
1	.26	.21	Wendigo	1,100	.21	.23	.22	.23
1	.01½	.01½	Wiltsey Coughlan	3,000	.01½	.01½	.01½	.01½
1	.10	.08	Wood Cadillac	2,600	.08½	.08	.08	.08
No	7.05	6.45	Wright-Hargreaves	3,985	6.50	6.55	6.45	6.45
No	.07	.06	Ymir Girl	2,700	.06½	.06½	.06	.06½

Oil Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
No	.11½	.07½	Acme Gas & Oil	4,100	.08	.07½	.07½	.07½
1	.09	.08½	Alta. Pac. Cons.	......	(.08½ bid .10 asked)			
1	*.22½	.10	Ajax	......	(.16 bid .22 asked)			
No	.81	.60	Anglo Canadian	3,350	.66	.65	.62	.65
No	*.07	.06	Anaconda	......	(.... bid .... asked)			
No	.12	.07½	Br. Dominion	......	(.07 bid .10 asked)			
No	.10	.08	Brown Oil	1,500	.08	.08	.08	.08
No	1.49	1.23	Calgary & Ed.	2,300	1.25	1.30	1.23	1.30
1	.26	.21	Calmont	2,000	.22	.21	.21	.21
No	.26	.22	Commoil	......	(.21 bid .26 asked)			
No	.21	.20	Common Pete	500	.20½	.20½	.20	.20½
No	.32	.20½	Dalhousie	650	.25	.27	.20½	.27
No	.16½	.13	Davies Pete	6,600	.14½	.14	.13	.13
No	.05	.03½	East Crest	1,200	.04½	.03½	.03½	.03½
No	.16½	.16	Extension Oil	......	(.16 bid .16½ asked)			
No	.30	.28	Federated Pete	......	(.28 bid .40 asked)			
25c.	.04½	.04½	Firestone Pete	......	(.04 bid .04½ asked)			
No	.80	.60	Foothills	400	.70	.62	.60	.60
25c.	.08	.06½	Foundation Pete	2,000	.07	.07	.06½	.06½
No	*.18	.05	Hargal	......	(.... bid .20 asked)			
No	.15	.15	High Sarcee	......	(.10 bid .18 asked)			
No	2.55	1.95	Home	12,000	2.16	2.15	1.95	2.10
1	.02	.02	Homestead O. & G.	1,000	.02	.02	.02	.02
No	.08	.05	McD. Segur	8,000	.08	.07	.06½	.07
1	*.30	.16	Model	......	(.... bid .... asked)			
25c.	.06	.06	Monarch Royalties	300	....	.06	.06	.06
25c.	*.21½	.04	National Petroleum	......	(.05 bid .... asked)			
1	.06	.03	Nordon	6,700	.06	.06	.05½	.05½
No	.02½	.01½	Oil Selections	500	.02½	.01½	.01½	.01½
No	.78	.55	Okalta	1,650	.65	.65	.55	.60
No	.04	.03½	Pacalta	3,600	.03½	.03½	.03½	.03½
1	.27	.23	Pacific Petroleum	......	(.23 Jan. 29)			
No	.30	.30	Petrol Oil & Gas	......	(.30 bid .50 asked)			
25c.	.09	.07	Prairie Royalties	1,000	.07½	.07½	.07	.07
No	22.00	18.00	Royalite	25	18.50	18.50	18.50	18.50
No	.23	.23	South West Pete	......	(.23 bid .30 asked)			
No	.02½	.01½	South End	6,500	.01½	.01½	.01½	.01½
5	1.25	1.00	Texas Can.	......	(1.01 bid 1.10 asked)			
No	.04½	.04	United Oils	......	(.04 bid .04½ asked)			
1	.02½	.02½	Vermilata	......	(.02½ bid .04 asked)			
1	.32½	.30	Vulcan	350	.30	.32½	.32½	.32½
No	.02	.02	West Flank	......	(.... bid .02½ asked)			

Vancouver Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
1	.05	.04½	Big Missouri	2,000	.05	.05	.04½	.04½
No	10.40	9.75	Bralorne	1,490	10.00	10.00	9.75	9.80
1	.00½	.00½	Bridge River Cons.	......	(.... bid .01 asked)			
1	2.91	2.35	Cariboo Gold	340	2.75	2.85	2.60	2.85
No	*.01½	.00½	Dentonia	......	(.... bid .01 asked)			
No	.01½	.00½	Fairview Amal.	4,411	.01	.01½	.01½	.01½
1	*.28	.10	George Copper	......	(.... bid .... asked)			
1	*.05	.02½	Golconda	......	(.03½ bid .05 asked)			
50c.	.32	.25	Gold Belt	800	.29	.28	.25	.25
50c.	.15	.10	Grandview	1,300	.14½	.15	.13½	.15
1	.02½	.02½	Grull Wihksne	2,000	.02½	.02½	.02½	.02½
1	.60	.50	Hedley Mascot	1,500	.53	.51	.50	.51
No	*.00½	.00½	Home Gold	......	(.... bid .00½ asked)			
1	*.01	.00½	Indian Mines	......	(.01 bid .... asked)			
50c.	.85	.85	Island Mountain	300	.85	.85	.85	.85
1	.33	.33	Inter'tl Coal	500	.33	.33	.33	.33
50c.	.24	.20	Kootenay Belle	500	.22	.22	.22	.22
1	.25	.25	McGillivray Creek	......	(.... bid .... asked)			
No	.00½	.00½	Minto Mines	......	(.... bid .... asked)			
50c.	.00½	.00½	Nicola	......	(.00½ bid .... asked)			
1	.05	.03½	Pacific Nickel	1,000	.03½	.03½	.03½	.03½
1	2.00	1.80	Pend Oreille	......	(1.65 bid 1.80 asked)			
1	2.25	2.10	Pioneer Gold	125	2.20	2.20	2.15	2.15
50c.	.01½	.01½	Porter Idaho	......	(.01 bid .02 asked)			
No	.03½	.01½	Premier Border	54,000	.02½	.03½	.02	.03½
1	.95	.90	Premier Gold	900	.92	.92	.90	.90
No	.63	.48	Privateer Mines	3,500	.51	.51	.50	.50
1	.02½	.01½	Quatsino Copper	500	.01½	.01½	.01½	.01½
1	.20	.15	Reeves McDonald	......	(.10 bid .18 asked)			
1	.03	.02½	Relief Arlington	2,000	.03	.02½	.02½	.02½
1	.13	.10	Reno Gold	......	(.10½ bid .... asked)			
1	*.06½	.04	Sally Mines	......	(.... bid .02½ asked)			
50c.	.02½	.02½	Salmon Gold	......	(.01 bid .02 asked)			
50c.	.88	.81	Sheep Creek	2,250	.82	.85	.81	.81
1	.75	.65	Silbak Premier	700	.70	.72	.70	.70
No	.00½	.00½	Silvercrest	......	(.... bid .... asked)			
1	*.05	.05	Sunloch	......	(.... bid .... asked)			
50c.	.15	.10½	Surf Inlet	1,500	.10½	.15	.15	.15
No	.02	.02	Taylor Bridge	100	....	.02	.02	.02
20c.	.00½	.00½	Wellington	......	(.00½ bid .01 asked)			
50c.	*.00½	.00½	Wesko	......	(.... bid .00½ asked)			
1	.02	.01	Whitewater	......	(.01 bid .02 asked)			
No	.07	.06	Ymir Yankee Girl	......	(.05½ bid .06½ asked)			

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb.10
1	.09½	.08	Alta. Pac. Cons.	......	(.08 bid .... asked)			
1	.00½	.00½	Amalgamated	6,000	....	.00½	.00½	.00½
No	.83	.61	Anglo Canadian	3,200	.68	.66	.65	.65
No	.08½	.04	Anaconda	......	(.06 bid .07 asked)			
No	*.13	.04	Brit. Dominion	......	(.06 bid .... asked)			
No	*.18½	.06	Brown Oil	......	(.... bid .... asked)			
No	1.50	1.20	Calgary & Ed.	200	1.30	1.28	1.28	1.28
1	.26	.20	Calmont	600	.22	.22	.20	.20
No	.25	.21	Commoil	......	(.22½ bid .25 asked)			
No	.21	.20½	Commonwealth	1,500	.20½	.21	.20½	.21
No	.30	.24	Dalhousie	102	.30	.24	.24	.24
No	.15½	.14	Davies Pete	......	(.... bid .15 asked)			
No	.04	.04	East Crest	......	(.... bid .... asked)			
No	.17	.16	Extension	1,000	.16½	.16	.16	.16
No	.36½	.30	Federated Petroleum	1,200	.33	.32	.30	.32
25c.	*.08½	.05	Firestone	......	(.... bid .05½ asked)			
No	.60	.60	Foothills	500	....	.60	.60	.60
25c.	.06½	.06½	Foundation Pete	......	(.06 bid .... asked)			
No	*.12	.08½	Four Star	......	(.... bid .12 asked)			
No	.15	.15	High Sarcee	......	(.10 bid .... asked)			
No	2.52	2.04	Home Oil	1,950	2.23	2.15	2.04	2.13
No	.01½	.01½	Madison	......	(.01½ bid .02 asked)			
No	.01½	.01½	Marjon Oil	1,000	.01½	.01½	.01½	.01½
No	.07	.06	McD. Segur Ex.	......	(.06½ bid .07½ asked)			
No	.05	.04	Mercury	3,300	.04	.04½	.04½	.04½
No	.05	.04½	Mill City Pete	......	(.04 bid .... asked)			
1	.19	.17	Model	......	(.16 bid .20 asked)			
25c.	.03½	.03½	Monarch Royal	......	(.03 bid .05 asked)			
25c.	.05	.04½	National Pete	500	.04½	.05	.05	.05
1	*.05	.04	Nordon	......	(.05 bid .... asked)			
No	.75	.63	Okalta	1,000	.65	.63	.63	.63
No	.04	.04	Pacalta Oil	......	(.03 bid .... asked)			
1	.26	.20	Pacific Petroleums	700	.20	.20	.20	.20
25c.	.08	.07	Prairie Royal	600	.07½	.07½	.07	.07½
No	.15	.09½	Royal Canadian	1,500	.12½	.12	.11	.11
No	*.10½	.05	Royal Crest	......	(.... bid .... asked)			
No	22.00	19.00	Royalite	12	19.00	19.50	19.00	19.00
No	*.07½	.03	South End	......	(.... bid .... asked)			
No	*.60	.21	Southwest Pete	......	(.25 bid .... asked)			
1	.05½	.04	Spooner	1,100	....	.05½	.04	.05½
25c.	.14	.12	Sunset Oil	500	.12	.14	.14	.14
No	[illegible]	.04½	United	......	(.04 bid .... asked)			
No	[illegible]	.04½	Vanalta	......	(.04 bid .06 asked)			
1	.38½	.38½	Vulcan	......	(.34 bid .38 asked)			
No	*.05	.02	West Flank	......	(.... bid .... asked)			

* Quotations for 1940.

Winnipeg Stocks

(Transactions from Feb. 3 to Feb. 8)

	Sales	High for period	Low for period	Close Feb. 8
Dominion Envelope, c.	20	8.50	8.50	8.50
Federal Grain, pfd.	10	27.00	27.00	27.00
Great West Life	21	205.00	205.00	205.00
Ore Grande	3,000	.01	.01	.01
Western Steel	5	7.75	7.75	7.75
Western Breweries	25	2.25	2.00	2.00
Wingold	5,000	.08¾	.08½	.08½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c.	..	4
Beav. Lumber, p	102	..
Can. Airways	1	..
Can. Indemnity	130	..
Cres. Cream., p.	11	..
Dom. Envelope, p	..	96
Home Invest.	13	..
Nor. Can. Mtg. p.	5	..
Nor. Trusts	7	..
Traders Bldg.	43	..
United Grain	9	11
West. Grain, p.	..	7
Wings	.15	.70
Do., Vot. Tr.	..	.50

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Feb. 11	9,000	13,100	208,000	......
Feb. 10	3,100	6,500	156,000	42,241
Feb. 8	3,400	10,100	89,000	13,775
Feb. 7	5,100	3,300	126,000	33,900
Feb. 6	8,300	13,600	159,000	18,825
Feb. 5	10,100	11,300	236,000	9,108

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds
Feb. 12, 1941

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99⅞	100⅛	.10
5	Nov. '41	102½	103	1.19
1½	May '42	100⅛	100⅞	.96
2	June '42	100⅞	101⅛	.98
3	Oct. '42	102½	103	1.22
2½	June '43	102	102½	1.41
5	Oct. '43	108	108⅞	1.68
2	June '44	100⅞	101⅛	1.57
a2½	Jan. '44	92	93½‡	4.75
4½	Oct. '44	108⅞	109½	1.94
2½	Nov. '44	102	102⅞	1.75
a2½	Aug. '45	90½	91½‡	4.61
4	Oct. '45	105½	106	b1.72
4½	Feb. '46	109½	110½	2.32
3½	June '49	102½	103½	b2.59
3½	Oct. '49	103	103⅞	b2.44
3½	Nov. '51	101	101⅞	b3.00
3½	Feb. '52	101½	102	b2.94
a5	May '52	98½	99½‡	5.09
4	Oct. '52	105⅞	106½	b2.94
3	Oct. '52	98½	99½	3.08
3	June '55	98½	99½	3.06
4½	Nov. '56	107⅞	108½	b2.90
4½	Nov. '57	108	108⅞	b3.06
3	June '58	97⅞	98½	3.11
4½	Nov. '58	108½	109½	b3.15
4½	Nov. '59	109½	110	b3.18
a4	Oct. '60	89½	90½‡	4.74
a3½	Jan. '61	80⅞	82½‡	4.62
3½	June '66	100½	101½	b3.15
a3e	Jan. '67	77½	78½‡	4.38
a3e	Nov. '68	77½	78½‡	4.32
‡3	Perpet'l.	89½	90½	3.32

Dominion Guarant'd Bonds
Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100⅞	101½	1.25
2½	Jan. '46	99⅞	100⅞	2.09
3	May '44	103	104	1.73
3	Dec. '50	98⅞	99⅞	3.03
3	Feb. '53	97⅞	98⅞	3.12
3	Jan. '59	96⅞	97⅞	3.16
*4½	Sept. '51	114½	115½	2.82
*4½	Feb. '56	114⅞	115⅞	3.17
4½	July '57	115½	116½	3.22
*4½	June '55	117	118	3.19
5	Feb. '54	117½	118½	3.24
*5	July '69	114½	115½	b1.80
*5	Oct. '69	118⅞	119⅞	b2.92
*5	Feb. '70	118⅞	119⅞	b2.97

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Approx. Yld.
3	Jan. '62	98	99	3.07

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	87½	89½	4.23
2½	Aug. '49	91	93	4.24
3½	June '56	91	93	4.11
c4	Nov. '47	97½	99	4.17
c4½	Apr. '61	99	101	4.43
c5	Jan. '60	104	105	4.60
Nova Scotia:				
3	Jan. '52	93	94	3.67
3½	June '56	93½	94½	3.72
3½	Nov. '50	97⅞	98⅞	3.65
c4½	Sept. '52	106½	107½	b3.27
c4½	Nov. '60	108	111	3.72
c5	Mar. '60	114	116	3.83
Ontario:				
2½	May '45	100	101	2.25
3	Apr. '48	99	100	3.00
3	Nov. '50	98½	99½	3.09
3½	Nov. '51	100	101	b3.12
3½	May '55	99⅞	100⅞	b3.17
*4	June '62	107	109	3.40
4½	June '50	109½	110½	3.22
*4½	Jan. '62	113½	115½	3.46
5	Oct. '48	111½	112½	3.17
*5	Dec. '60	120	122½	3.43
5½	July '46	111½	112½	2.98
Ont. Hydro Commission:				
3	Aug. '48	98	100	b3.00
3½	Feb. '53	99⅞	100⅞	b3.15
3½	Apr. '47	102	103	2.96
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	94⅞	95⅞	3.72
3½	Mar. '48	95½	96½	3.82
3½	Mar. '59	93	95	3.89
3⅞	Feb. '58	96½	97½	4.01
4	Mar. '52	99½	100½	3.97
4½	Aug. '58	101	103	4.01
4½	Jan. '63	105	107	4.09
Alberta:				
4	Dec. '54	53½	57½	d
4½	Oct. '31	63	..	d
c4½	Oct. '36	55½	59½	d
*5	Oct. '59	58½	62½	d
c5½	Apr. '52	62½	66½	d
6	Mar. '47	66½	70½	d
British Columbia:				
c4	Dec. '57	97	101	3.92
*4½	Jan. '51	100	104	4.01
c4½	Oct. '53	100	104	3.10
c5	Apr. '54	103½	107½	4.28
5½	Feb. '45	101	105	4.13
6	Feb. '47	104	108	4.46
Manitoba:				
c4	Dec. '57	87	92	4.89
4½	Dec. '56	90½	94½	5.00
*5	Dec. '59	96	101	5.00
5½	Oct. '55	96	100	5.80
6	Apr. '47	97½	101½	5.70
Saskatchewan:				
4	Sept. '54	67	72	7.20
4	Nov. '60	65	70	6.78
c4½	Oct. '51	79	85	6.42
c4½	Mar. '60	71	76	6.78
5	Aug. '58	75	81	6.80
5½	Oct. '52	80	85	7.40
6	Mar. '52	84	89	7.48

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

Feb. 11, 1941 (Furnished by A. J. Pattison, Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm. D.	30	35
Audian National	27	28½
Anglo C. Tel., A	7⅞	8½
Atlas Steel	20	25
Barrymore, pfd.	28	..
Blue T. Brew. A	8½	10
B. C. Pulp, c.	15	16½
Do., pfd.	60	68
B. C. Sugar	73	75
B. C. Tel., 1st p.	110	115
Burns & Co., A	4½	5½
Do., B	2½	3½
Can. Col. Air.	3½	3⅞
Can. Co-op. Wl.	6	7½
C. I. L., A c.	210	220
Can. Ing. Rand	76	84
Can. Mot. L.A.B.	2⅞	..
Can. Tube, 1st p	90	..
Can. West'ghouse	44	47
Chase, A. W., p.	18	20
Claude Neon, p.	5	6
Colonial Steam.	15	17
Dom. Manuf., p.	61	65
Dunlop T. p $25	23½	24½
Easy Wash. p $10	9½	11
Goderich Elev.	7½	8
Guard. Realty, p	16	18
Guelph Carp., c.	20	23½
Gurney Fdry., p	1	1½
Hayes Steel, c.	9½	10½
Hi'land Dairy, p	49	56
Homewood San.	100	120
Ingram & Bell	23½	30
Kingst. Ship. un	26½	30
Loblaw Inc., c.	11½	13
M'row Screw, p.	99	..
Do., com.	10	12
Morrison Br. un.	4	5½
N. B. Tel., c.	10½	13
Neilson, Wm., c.	9	..
Do., pfd.	100	..

	Bid	Ask.
N. Meth. Ldy., p	53	57½
Niag. L. A. Br.	..	43
Ont. Tobacco, p.	15	17
Pac. C. Term., c	9	10⅞
Paterson, Wm. p	102	..
Prov. Paper, pfd	105½	107
Ruddy, E. L., p.	22½	25
Seal O Sac (Can.)	..	2
Stand. Fuel, p.	59	63
Stedman, pf. $50	56	59
Tor. Carpet, c.	39	..
Do., pfd.	63	68
Un. F. Co-op.	2½	3
Un. Steel, A pf.	22½	23⅞
Viceroy Mfg., p.	24½	25½
Do., com.	11½	15½
Westons Hold.	2	..
Trusts & Loan Stocks:		
Brit. Mtge.	122½	132½
Brockville Tr.	40½	..
Capital Tr.	28	33
Com. Fin., c.	2⅞	3
Grey & B. Tr. $50	43	46
Guaranty Trust	102	104
Guelph & O. $50	51	54
Indust. Mtge.	24½	..
London & West.	30	34
Premier Trust	60	65
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	10	11⅞
Do., A pfd.	88	93
Trusts & Gr., new	50	52
Victoria Trust	71	80
Waterloo Tr.	101½	..
Insurance Stocks:		
Canada Life	410	..
Brit. Amer.	50	55
Canadian Fire	78	..
Confed. 30% pd.	137	142

	Bid	Ask.
Continental L.	35	..
Crown, fully pd.	250	265
Dominion Fire	135	..
D. of Can. Gen.	115	125
Empire 25% pd.	5½	6½
Excelsior 38% pd	70	..
Federal 25% pd.	31	35
Great-West Life	200	215
Halifax Fire	17	18½
Imperial Life	290	300
Manufac. Life	232½	242½
Monarch Life	32	..
Sov. L. 25% pd.	11½	13
Sun Life	293	325
Tor. General	5	5½
Wellington Fire	58	..
Western Assce.	40	43
Theatre Stocks:		
Allen's King., p.	80	84
Do., London p	50	54
Do. St. Cath. p	51½	54
Loew's Tor., p.	98	..
Mansf. Theat., p	28½	30
Para. Kitch., p.	30	35
Do., Oshawa, c	8	11
Investment Trust Shares:		
Can. Investors	5	6
Deb. & Sec. pf.	61	..
Inv. Found. un.	43⅞	..
Sec's. Hold., pf.	19½	21
United Corp., A	19	21
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	102	104
Gt. Lakes Pr., p	101	103
Int. Ut., $1.75 p.	14	..
Do., $3.50 p.	35	..
Mtl. Is. Pwr., p.	20	..
Nor. Ont. Pr., p.	75	80

Unlisted Mines

Toronto, Feb. 11, 1941

	Bid	Ask
Acordia	..	.22
Addington	.00¾	.01½
Albany R (Old)	.08	.10
(New)	.20	.23
Amal Kirk	.08½	.09½
Anoki	.02	.02¾
Aquarius	.23	.25
Arjon	.03	.03½
Armistice	.07	.08½
Argosy	.08	.08¾
Area	.03½	.04
Arno	.00½	.11½
Athona (Old)	.01½	.02½
(New)	.03	.04
Barb Lard	.02	.02¾
Bilmac	.02	.03
Bonetal	.48	.52
Brock	.30	.32
Buff Beard	..	.04
Cald Bous	.01¾	.02¾
Cen Man	.02½	.03
Cheminis	.03	.03¾
Coin Lake	.03½	.04
Cons Chib	.05	.06
Crescent	.00¾	.01½
Dayton	.01	.02
Demp Cad	.00¾	.01½

	Bid	Ask
De Sa New	..	.23
Dona Pat	.01½	.02
East Laco	.00½	.01
Elmos	.07	.09
Franco	..	.28
Galore	.02	.02½
Gan Copp	.10	.12
Gate Pat	.00½	.01
Gilbec	.01	.01½
Gord Lebel	.00½	.01½
Hoy new	.31	.33
H Pa Por	.08	.09
Hutch Lk	.01½	.02
Jason	.45	.48
Keora	.01½	.02½
Jasper	.16	.18
Kenricia	.01½	.02½
Kewagama	.01½	.02½
Kiena	.05	.06
Kirk Gate	.01	.02
Lacoma	.00½	.01
LaGuerre	.18	.22
Lake Duf	.18	.20
Lake Gene	.02	.03½
Lardego	.00¾	.01½
Low Pete	.15	.18
Mag Con	.80	.82
Mag Lake	.19	.22
Magwell	.02	.04

	Bid	Ask
Manikuru	1.75	2.25
Mart Bird	.03	.04
Margaret	.10	.11
Mat Can	.03½	.04½
Mat Con	.16	.18
McMarm	.40	.42
M Hall Ne	.04	.05
Monarch	.01½	.02½
Mooshla	.02	.03
Mosher	.05	.06½
McGregor	.01½	.02½
Nat Mal	.34	.37
Negus	.90	.97
New Aug	.29	.31
New Roy	.00½	.01½
Nick Off	.80	1.00
Norbeau	.22	.25
Norlake	..	.01
Northld '40	..	.08
Norw Mol	.04	.05
Oklend	.05	.06½
O'Lea Mal	.01¾	.02½
Opemiska	.03	.05
Oriole	.00½	.01
Orpit	.04½	.05
Ossian	.00¾	.01½
Pascalis	.30	.35
Pon R Old	.03	.06

	Bid	Ask
Pelangio	.03	.03½
Phoe Mol	.02	.03
Polaris	.09½	.11
Proprieta	2.65	2.80
Presdor	.04½	.05
Que Man	.06	.06½
Rahn Lak	.01	.01½
Rand Mal	.11	.13
R L G Shor	.01½	.02
Sach Riv	2.00	2.75
Senore	.12	.15
Shenango	.02½	.02¾
Sheldon	.05	.06½
Siscoe Ext	.01½	.02½
Sky Lake	.04	.06
Smel Gold	.01	.01½
Spooner	..	.03
Sunbeam	.02½	.03½
Springer	.20	.22
Stadacona	.04	.06
Thoms L	.13	.15
Thom Cad	.01	.02½
Treaty Pet	..	.13
Union Min	.04	.05
Wasu	.04	.06
W R Lake	.03½	.04
Wood	.02½	.03½
Y David	.24	.26

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Feb. 11, 1941

Public Utility Issues:	Int. Rate %	Due	Bid Feb. 11	Asked Feb. 11	Bid Feb. 4
▲‡Alg. C. H.B.R.	5	'59	3½	8½	6
†Assoc. Tel & T.	5½	'55	73½	76½	..
B. C. Power	4½	'60	99	102	99½
B. C. Tel.	4½	'61	106½	109½	107
†Calgary Pwr.	5	'60	106½	109½	107
Do.	5	'64	102½	...	102½
†Can. Nor. Pwr.	5	'53	102½	105½	102
*Dom. Gas & El.	6½	'45	104	107	104
Gatineau Pwr.	5	'49	102	105	102
*Do., A	3⅞	'69	98	101	97½
♦Do., B	3⅞	'69	98	101	97½
Gt. Lakes Pwr.	4½	'56	98½	101½	98
Do.	5	'57	95	98	94½
*Int. Hydro-E.	6	'44	58	61	57½
▲Inter. Power	6	'55	101	104	101
L. St. Law Pwr.	5	'55	98	101	98½
Macl'n-Que. Pr.	4	'59	97½	100½	97½
Mtl. L. H. & P.	3½	'56	101	104	101½
Do.	3½	'73	98½	101½	98½
Do.	3½	'63	99	102	99½
†Mtl. Tramways	5	'41	93½	96½	93
†Do.	5	'55	66	69	66
Nat. Lt. & Pwr.	6	'49	99½	102½	99½
N. S. Lt. Pr.	4	'57	100½	103½	100½
Ottawa L.H.&P.	4	'57	101½	104½	101½
Ottawa V. Pwr.	5	'59	102	105	102
†Power Corp.	4½	'59	97	100	97
Quebec Pwr.	4	'62	100	103	100½
*Saguenay P., A	4½	'66	110½	...	110½
♦Do., B	4½	'66	107	110	107
St. Maurice Pr.	4½	'70	100	103	100
Shaw W. & Pr.	4	'61	101	104	101
Do.	3½	'46	100½	103½	100½
Do.	4	'69	101	104	100½
Union Gas	4½	'50	102	105	102
*Twin C. R. Tr.	5½	'52	67	70	67
†United Secs.	5½	'52	58	61	59
‡Wpg. El., ser. A	5	'65	66	69	67
Do., B	5	'65	42	45	..
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	65	68	62½
†Do., C.O.D.	5	'53	61	64	59½
Acadia Sugar	4½	'55	101½	104½	101½
Do.	6	'54	97½	100½	97

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

Feb. 11, 1941

Miscellaneous:	*Bid Feb. 11 $	Asked Feb. 11 $	Bid Feb. 4 $
Adirondack Fdry. c.	10.25	12.50	10.25
Atlas Steel, 1st p.	106.25	108.25	106.00
Blue Top Brewing, B	6.10	6.85	6.00
Brandram-Hend., c.	2.00	3.25	2.00
Can. Tube & Stl., c.	3.35	4.35	3.50
Can. West Lumber	.35	.80	.30
Cap. Wire Cloth, p	18.00	21.00	18.50
Collingw'd Term. un	.70	...	.75
Corp. Inv., A	5.75	6.25	5.85
Corr. Paperbox, c.	.50	.80	.50
Dover Ind.	7.25	7.75	7.25
East. Bake., pref.	25.00	30.00	29.00
East. Steel Prods. p.	20.25	21.25	20.00
Hart Battery, com.	6.00	7.25	6.00
Imperial Varnish, c.	8.25	10.00	8.25
Ind. Accept., pref.	80.00	85.00	79.50
Inter. Equit., units	24.00	29.00	25.00
Inv. Found., units	43.00	46.00	44.00
†Loew's London, p.	2.50	3.00	2.50
Mersey Paper, com.	4.25	5.75	4.50
Mid. Loan & Sav.	14.00	15.25	14.00
*Moirs, 6% pref.	18.50	22.50	19.25
Mont. Aircraft, com.	1.50	2.50	1.00
Mt. Royal, new com.	2.50	3.25	2.65
*Mt. Royal, old pref.	4.00	5.00	4.00
Murphy Paint units	98.75	100.50	99.00
Nat. Hosiery, com.	.75	1.00	.70
†N. Amer. Elev., p.	53.00	...	52.50
Premier Trust	62.00	66.00	62.50
Provincial Bank	103.00	106.00	105.00
Reanite Corpn.	4.50	6.00	4.50
Traders Fin., rts.	13.00	14.50	14.00
Trusts & Guar., old	25.25	26.25	25.50
Waterloo Mfg., new	1.05	1.65	1.00
West Can. Hydro, p.	11.50	12.50	11.35
West. Life, 10% pd.	8.50	11.50	8.50
Woods Mfg., com.	4.30	6.50	4.25

*Issue carries arrears.
†Currently paying on arrears.

Municipal Bonds

Feb. 11, 1941

†Halifax	5	1961	111.00	115.00	3.93
Hamilton	5	1950	110.20	112.20	3.45
Montreal	5	1945	97.00	100.00	5.00
Ottawa	4½	1945	105.00	107.00	2.80
†Quebec	5	1959	106.00	109.00	4.29
Saint John	5	1950	102.00	105.00	4.38
†Toronto	4½	1955	111.40	113.40	3.30
†Vancouver	5	1950	99.00	102.00	4.73
Winnipeg	5	1944	101.00	104.00	3.61

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.48	2.69
Can. Amer. Trust	3.15	3.65
Can. Invest. Fund	3.20	3.50
Grouped Income	...	5.20
Trans-Canada	9.85	10.25

Corporation Bonds (Cont'd)

Mercury Mills	5	'58	91	94	91
Mersey Paper	5	'57	96½	99½	96½
†Do.	6	'49	99	..	99
*M. & O. Paper	6	'45	49	53	48
Moirs Ltd.	6	'53	81	..	79
‡Mtl. Drydocks	6	'48	38	41	38
Montreal Apts.	4	'54	58½	61½	58½
Nat. Grocers	4	'47	101	104	101

Annual Meetings

1941	Company	Place
Feb. 12	Eastern Canada Savings	Halifax
Feb. 12	Sarnia Bridge	Sarnia
Feb. 14	Real Estate Loan	Toronto
Feb. 14	Rogers-Majestic*	Toronto
Feb. 17	Landed Bank. & Loan	Hamilton
Feb. 17	Sawyer-Massey	Hamilton
Feb. 18	Donnacona Paper	Quebec
Feb. 19	Beauharnois L., H. & P.	Montreal
Feb. 19	Biltmore Hats	Guelph
Feb. 19	Cedars Rapids Mfg.	Montreal
Feb. 19	Can. Foundries & Forg.	Brockville
Feb. 19	Montreal Gas Co.	Montreal
Feb. 19	Montreal Island Power	Montreal
Feb. 19	Mtl. L., H. & P. Cons.	Montreal
Feb. 24	St. Lawrence Corp.	Montreal
Feb. 24	H. Simon & Sons	Montreal
Feb. 25	J. S. Mitchell & Co.	Montreal

*Special.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, c.	40c	Mar. 1	Feb. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Aluminium pf.	†$1.50	Mar. 1	Feb. 8
Do., com.	$2	Mar. 5	Feb. 12
Anglo Can. Tele., A	15c	Mar. 1	Feb. 15
Belding-Cort.	$1	Apr. 1	Mar. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Beattie Gold	4c	Mar. 15	Mar. 1
Borden Co.	30c	Mar. 3	Feb. 15
Bk. Can. Nationale	$2	Mar. 1	Feb. 15
Bathurst P & Pap A	25c	Mar. 1	Feb. 14
Bank of Toronto	$2.50	Mar. 1	Feb. 15
Bank of Montreal	$2	Mar. 1	Jan. 31
Can. F. & Forg. A	‡37½c	Mar. 15	Mar. 1
Can. Cr. Stone	▪10c	Mar. 31	Mar. 15
Can. Cel., Inc. Fd. rts.	$1	Mar. 15	Dec. 31
Canadian Oil, c.	12½c	Feb. 15	Feb. 1
Do., extra	12½c	Feb. 15	Feb. 1
Commoil	1c	Feb. 25	Feb. 14
Commonw'th Intl.	4c	Feb. 15	Jan. 15
Can. Malartic	▪2c	Mar. 26	Mar. 8
Can. Car, pref.	▪44c	Apr. 10	Mar. 21
Chartered Trust	$1	Apr. 1	Mar. 15
Cosmos Imperial	30c	Feb. 15	Jan. 31
Do., extra	15c	Feb. 15	Jan. 31
Crown Cork	50c	Feb. 15	Jan. 31
Canada Cement pf.	$1.25	Mar. 20	Feb. 28
Coniaurum Mines	▪4c	Mar. 20	Mar. 8
Corp. Inv., A, B	5c	Feb. 15	Jan. 30
Canada Dry	†15c	Mar. 24	Mar. 10
Canada Vinegars	10c	Mar. 1	Feb. 15
Can. W. & Cable A	$1	Mar. 15	Feb. 28
Do., B com.	50c	Mar. 15	Feb. 28
Do., pref.	$1.62½	Mar. 15	Feb. 28
Can. Gen. Elec.	$2	Apr. 1	Mar. 15
Capital Trust	$1	Mar. 1	Feb. 15
Cap. Wire Cloth, p.	38c	Mar. 1	Feb. 12
Canada Starch, p.	$3.50	Feb. 15	Feb. 8
Can. Min. Eq., p. c.	▪10c	Mar. 15	Feb. 4
Do., extra	▪5c	Mar. 15	Feb. 4
Dom. of C. Gen. Ins.	$6	Feb. 28	Jan. 23
Do., bonus	$3	Feb. 28	Jan. 23
Dom. Bridge	30c	Feb. 25	Jan. 31
Dom. Ang. Inv., pf.	$1.25	Mar. 1	Feb. 15
D. Envelope, 1st p.	$1.75	Mar. 1	Feb. 20
Dom. Scot Inv., p.	50c	Mar. 1	Feb. 20
Electrolux	†20c	Mar. 15	Feb. 15
Equitable Life	15c	Feb. 20	Feb. 15
Extension Oil	1½c	Feb. 28	Feb. 20
Federated Pete.	1c	Feb. 20	Feb. 8
Gen. Stl. Wares, pf.	$1.75	Feb. 20	Feb. 10
Gurd, Chas., pfd.	$1.75	Feb. 15	Feb. 1
Granby Cons.†	15c	Mar. 1	Feb. 14
Hedley Mascot	2c	Feb. 15	Jan. 24
Hallnor Mines	15c	Mar. 1	Feb. 15
Hollinger Cons.	5c	Feb. 25	Feb. 11
Do., extra	5c	Feb. 25	Feb. 11
Inter. Nickel, c.	†50c	Mar. 31	Mar. 1
Kelvinator of Can.	▪25c	Mar. 10	Feb. 24
Kerr Addison G.	5c	Feb. 28	Feb. 12
Kirkland Lake	5c	May 1	Mar. 31
Do., extra	1c	May 1	Mar. 31
Lake of W. Mill. p.	$1.75	Mar. 1	Feb. 15
Laura Secord	20c	Mar. 1	Feb. 15
Loblaw Groc. A B	25c	Mar. 1	Feb. 10
Loblaw Groc. Inc.	†20c	Feb. 28	Feb. 13
Leitch Gold	2c	Feb. 15	Jan. 31
Melchers Dist., pf.	*30c	Apr. 15	Apr. 5
McIntyre Porc.	55½c	Mar. 1	Feb. 1
Mitchell, J. S., c.	$2.50	Mar. 1	Feb. 14
Nat. Biscuit, p.	†$1.75	Feb. 28	Feb. 11
Do., com.	†40c	Apr. 15	Mar. 14
Nat. Grocers, pfd.	37½c	Apr. 1	Mar. 15
Noranda Mines	$1	Mar. 15	Feb. 20
Naybob Gold	1c	Apr. 15	Apr. 1
N. S. Light & Pr. p	$1.50	Mar. 1	Feb. 15
Nan.-Dun. Util., p.	81¼c	Mar. 1	Feb. 15
Ogilvie Flour, p.	$1.75	Mar. 1	Feb. 17
Ontario Steel pf.	$1.75	Feb. 15	Feb. 3
Petrol Oil	▪2c	Mar. 1	Feb. 15
Photo Engravers	50c	Mar. 1	Feb. 15
Penmans	75c	Feb. 15	Feb. 5
Pressed Metals	25c	Mar. 1	Feb. 15
Prov. Transport	20c	Feb. 15	Feb. 10
Provincial Bank	$1.50	Mar. 1	Feb. 15
Para. Pictures	†20c	Apr. 1	Mar. 14
Do., 1st pfd.	†$1.50	Apr. 1	Mar. 11
Do., 2nd pref.	†15c	Apr. 1	Mar. 11
Quebec Power	25c	Feb. 25	Jan. 25
Rolland Paper	15c	Feb. 15	Feb. 5
Do., pref.	$1.50	Mar. 1	Feb. 15
Royal Bank	$2	Mar. 1	Jan. 31
Regent Knit. pfd.	40c	Mar. 1	Feb. 15
Riverside Silk A	50c	Apr. 1	Feb. 15
South. Can. Pr.	20c	Feb. 15	Jan. 31
Shawinigan W.	23c	Feb. 25	Jan. 25
Siscoe Gold	2½c	Mar. 15	Feb. 15
Sullivan Cons.	3c	Mar. 15	Feb. 15
Sylvanite Gold	▪7c	Mar. 31	Feb. 10
Sunset Oils	2c	Mar. 15	Mar. 5
Sher.-Williams, p.	$1.75	Apr. 1	Mar. 15
Do., arrears	$1.75	Apr. 1	Mar. 15
Stuart, D A Oil, p.	20c	Mar. 1	Feb. 15
Sundance Rylts.	1c	Feb. 28	Feb. 20
Toburn Gold	3c	Feb. 22	Jan. 22
Do., extra	2c	Feb. 22	Jan. 22
United Fuel, A, p.	75c	Apr. 1	Mar. 20
Upper Can. Mines	3c	Feb. 28	Feb. 15
Union Gas	20c	Mar. 15	Feb. 20
United Corp., A	38c	Feb. 15	Jan. 31
Walker-Good.	$1	Mar. 15	Feb. 14
Do., pref.	25c	Mar. 15	Feb. 14
Wilsil	25c	Apr. 1	Mar. 15
York Knitting	20c	Feb. 15	Feb. 10
Do., 1st pref.	$3.50	Feb. 15	Feb. 10
Do., 2nd pref.	$3.50	Feb. 15	Feb. 10
Yukon Cons. Gold	10c	Feb. 15	Jan. 22

†Payable in U. S. funds.
*Arrears eliminated after giving effect to this payment.
▪Subject to approval of Foreign Exchange Control Board.
‡Also 37½c. declared payable quarterly June 16, Sept. 15 and Dec. 15, 1941.

Mining Dividends

	Rate	Close Feb. 10	Yield %
Anglo-Huronian	‡10c	2.40	..
Beattie Gold	16c+2c	1.05	*17.1
Bralorne	80c+40c	9.90	*12.1
Broulan Porc.	‡6c	.89	..
Buffalo Ankerite	‡31c	4.25	..
Bulolo Gold	$3	18.00	16.6
Can. Malartic	8c	.50	..
Cariboo Gold	16c+8c	2.80	*8.5
Central Patricia	16c+7c	1.68	*13.6
Chesterville	†5c	1.47	..
Cochenour Willans	†3c	.79	..
Coniagas	‡25c	1.50	..
Coniaurum	16c+2c	1.43	*12.6
Cons. Smelters	$1+$1.25	36.00	*6.2
Delnite	‡6c	1.09	5.5
Dome Mines	$2	23.00	8.7
East Malartic	‡30c	2.63	11.3
Francoeur Gold	†3c	.44	..
God's Lake	‡2½c	.32	..
Goldale	‡2c	.12½	..
Gold Belt	‡4c	.27	..
Gunnar Gold	‡6c	.26	..
Hallnor	60c	5.10	11.8
Hard Rock	‡10c	.86	..
Hedley Mascot	‡8c	.51	..
Hollinger	65c+45c	12.87	*8.7
Howey Gold	‡5c	.26	..
Hudson Bay	‡$2	25.50	7.8
Inter. Nickel, com.	$2	33.25	5.9
Island Mountain	‡15c	.85	..
Kerr Addison	‡15c	3.45	..
Kerr Lake	‡10c	.20	..
Kirkland Lake	10c+2c	.94	*12.8
Kootenay Belle	‡12c	.22	..
Lamaque Gold	40c+10c	4.75	*10.5
Lake Shore	$2	19.75	10.1
Leitch	8c	.46	17.4
Little Long Lac	30c	1.87	16.0
Macassa	32c+3c	3.80	*9.2
Madsen R. Lake	‡6c	.36	..
McGillivray Coal	3c+1c	.25	..
McKenzie Red L.	♦12c	1.15	10.4
McWatters	10c	.19	..
Moneta	12c	.48	..
McIntyre Porc.	$2.05½+1▪	47.00	*6.4
MacLeod-Cockshutt	‡20c	1.95	10.2
Naybob Gold	4c	.26	..
Nipissing	15c	1.05	..
Noranda	$4	53.50	7.5
North Empire	‡50c	5.00	..
O'Brien Gold	‡10c	.80	..
Pamour Porc.	12c	1.24	9.7
Pato Cons.	20c	2.65	..
Paymaster	‡1c	.23	..
Perron Gold	16c+4c	1.50	*13.3
Pioneer, B.C.	40c	2.20	18.1
Pickle Crow	40c	2.75	14.5
Placer Develop.	$1.20	9.00	13.3
Premier	12c	.92	..
Preston E. Dome	20c+5c	3.10	*8.1
Privateer Mine	‡16c+2c	.50	..
Powell Rouyn	‡10c	.83	..
Quebec Gold	‡2c	.28	..
Relief Arlington	‡5c	.02¾	..
San Antonio	14c+6c	2.25	*8.8
Sheep Creek	16c+3c	.81	*23.4
Sherritt Gordon	‡10c	.73	..
Sigma Mines	‡45c	7.50	..
Silbak Premier	16c	.70	22.8
Siscoe	‡11½c	.58	..
Sturgeon River	‡2c	.17	..
Sudbury Basin	‡2½c	1.38	..
Sullivan Cons.	‡9c	.61½	..
Surf Inlet	‡1½c	.11½	..
Sylvanite Gold	20c+10c	2.60	*11.5
Teck-Hughes	40c+5c	3.30	*13.6
Toburn	8c+12c	1.60	*12.5
Upper Canada	‡6c	1.57	..
Ventures	15c	3.40	..
Waite Amulet	‡10c	3.65	..
Wendigo	‡3c	.23	..
Wright-Harg.	‡40c+30c	6.45	*10.8

*Yield including bonus. †Initial.
‡Paid in 1940.
▪An extra dividend of $1.11 paid Jan. 2, 1941.
♦Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

Ottawa Clash Develops Over Price Policy

Wartime Prices Board Stands Against Increases, While Trade Commission Encourages Efforts to Raise Minimum Levels on Many Products

From Our Own Correspondent

OTTAWA. — Diverging trends of policy in the past nine months have crystallized into a sharp conflict between two branches of the Dominion Government.

The Wartime Prices and Trade Board has been busy and effective since the outbreak of war in encouraging competition, in preventing price rises which would affect the cost of living. This board is part of the Labor Department.

The Dominion Trade and Industry Commission, hangover of the Bennet New Deal, and echo of the price spreads probe, has been equally industrious in encouraging business groups to get together. It has sought to eliminate "undesirable" trade practices of which price cutting is regarded as a flagrant example. This commission is part of the Trade and Commerce Department.

Thus Hon. J. A. MacKinnon, Minister of Trade and Commerce, in effect beckons business groups forward, encourages them to organize to eliminate practices which they, and apparently himself, regard as undesirable. But the portly and resolute figure of Hon. Norman McLarty bars the way and imperiously orders the businessmen to retrace their steps and disband.

The Government is speaking with two voices and the result quite evidently is most confusing.

Evidence to substantiate the conflict in Government policy is rapidly accumulating. The best exhibit is the Canadian Food Distribution Council. It was born in the spring of 1940 as a result of a conference of producers, processors, wholesalers and retailers called by the Dominion Trade and Industry Commission and held under the auspices of the Commission at Ottawa.

The whole field of the activity of the proposed Council was canvassed and the Commission gave the proposition an unqualified blessing.

The Council promptly proceeded to carry out its programme, included in which was the elimination of undesirable price cutting. There is presently in fairly wide circulation in Canada a progress report of the Council. This report traces the birth of the Council back directly to the Dominion Trade and Industry Commission.

Originally the Council comprised organizations in central Canada but vigorous efforts are now being made to organize affiliated councils in the western provinces. Here again, the blessing of the Dominion Trade and Industry Commission has been given.

Board Intervenes

No sooner had the Council's campaign against the so-called undesirable trade practices got under way than the Wartime Prices and Trade Board intervened.

Hector B. McKinnon, the chairman of the Board, wrote a letter on Jan. 3 to George S. Hougham, chairman of the Council, sharply challenging the work it is trying to do. Mr. McKinnon explained that his Board is a Dominion Government agency "charged with the responsibility of preventing unwarranted increases in the prices of necessaries of life in wartime."

The Board, he says, "has been more than a little concerned about recent reports of activities of the Canadian Food Distribution Council affecting prices of certain food products in the provinces of Ontario and Quebec. If these reports are true, it would appear that some at least of the Food Council's efforts are being devoted to preventing price reductions, urging price increases and even fixing minimum retail mark-ups on various classes of necessaries of life."

Mr. McKinnon went on to say that in its early months the council appeared to be concentrating on perishable fruits and vegetables, largely with the idea of improving the exchange of market information and discouraging selling below cost as a practice likely to depress prices. This, says Mr. McKinnon, was regarded as the primary if not the sole object put forward by the promoters of the council and, he suggests, it was because of this objective that the Dominion Trade and Industry Commission felt justified in calling the conference which led to the founding of the organization.

The letter then concludes:

"It was not for a moment anticipated that the Food Council would so take advantage of its sponsorship by the Trade and Industry Commission as to foster agreement to fix prices and mark-ups, not only on fresh fruits and vegetables but on processed food products and other commodities such as are generally handled by the grocery trade. It is represented to us now, however, that recent activities of the Food Council have been trying from time to time to induce retail distributors to increase their margins.

"If this is the fact we would call your attention to the distinct possibility of such activities running counter not only to the regulations of the Wartime Prices Board but also to the provisions of anti-combines legislation. Certainly any such organized attempt to increase prices of food under wartime conditions would be looked upon by this Board with unqualified disapproval."

Board Opposed

Subsequently, as reported last week, the Council met the Wartime Prices Board and got an unqualified rejection in seeking approval of its efforts.

Meantime, the Dominion Trade and Industry Commission continues to bless the purposes of the Council.

Mr. McKinnon, of course, used to be chairman of the Commission, but since assuming his present duties with the Wartime Prices Board he has turned the Commission over to Milton Campbell, a member of the Tariff Board and formerly a C. C. F. member from Saskatchewan.

The conflict, however, is interpreted at Ottawa as being between two Ministers rather than the Board and the Commission.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 311

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after SATURDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 31st January, 1941.

By Order of the Board

JACKSON DODDS, General Manager
G. W. SPINNEY, General Manager

Montreal, 21st January, 1941.

The Bank of Nova Scotia

Dividend No. 285

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of March 15th, and that the same will be payable on and after Tuesday, the first day of April next, at any of the offices of the Bank in Canada.

By order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., February 11th, 1941.

Borden's

COMMON DIVIDEND
No. 124

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable March 3, 1941, to stockholders of record at the close of business February 15, 1941. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 105

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for the quarter ending 28th February, 1941.

Notice of Common Stock Dividend No. 60

A dividend of one per cent (1%) has been declared on the Common Stock of this Company, for the quarter ending 28th February, 1941.

The above dividends are payable on the 1st day of April, 1941, to Shareholders of record at the close of business the 15th day of March, 1941.

By Order of the Board,

D. F. POLLOCK,
Secretary.

Siscoe Gold Mines Limited

Notice of Dividend No. 36

NOTICE IS HEREBY GIVEN that a Dividend of Two and a half cents (2½) per share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable on March 15th, 1941, to shareholders of record at the close of business on the 15th day of February, 1941.

By order of the Board.

H. E. GREEN,
Secretary-Treasurer.

Montreal, January 17th, 1941.

CANADA WIRE & CABLE COMPANY

DIVIDEND NOTICES

PREFERRED DIVIDEND NO. 48

TAKE NOTICE that the regular Quarterly Dividend of $1.625 per share, on the outstanding Preferred Stock of the Company, for the three months' period ended February 28th, 1941, has been declared as Dividend No. 48, payable March 15th, 1941, to Shareholders of record at the close of business February 28th, 1941.

CLASS "A" DIVIDEND NO. 22

ALSO TAKE NOTICE that a Dividend of $1.00 per Share on the outstanding Class "A" Common Shares of the Company has been declared as Dividend No. 22, payable March 15th, 1941, to Shareholders of record at the close of business February 28th, 1941.

CLASS "B" DIVIDEND NO. 12

ALSO TAKE NOTICE that an Interim Dividend of 50 Cents per Share on the outstanding Class "B" Common Shares of the Company has been declared as Dividend No. 12, payable March 15th, 1941, to Shareholders of record at the close of business February 28th, 1941.

By Order of the Board.

A. I. SIMMONS,
Secretary.

Toronto, Jan. 31st, 1941.

Week in Wheat

May Produce Motor Fuels From Wheat

Considering Experimental Plant for Western Canada

An experimental plant to produce motor fuels from a combination of ordinary gasoline and wheat-produced alcohol may be established in western Canada in the fairly near future, The Financial Post is informed. The scheme is claimed fairly practical from an economic standpoint and would be sponsored by the National Research Council and the National Chemurgic Committee. The latter is affiliated with an organization of a similar name in the United States, the main object of which is the industrial utilization of farm produce.

Would Ease Wheat Crisis

The North West Line Elevators Assoc., which has been active in promoting wider outlets for Canadian wheat and also research with the same object, points out in a recent bulletin the vital need for action along this line and particularly during the present period. "Reputable statisticians," states this bulletin, "estimate that there will be a carryover of wheat in Canada at the end of the current crop year next July 31 of approximately 517 million bushels. The entire capacity of Canada's existing grain elevator storage facilities will be required to store the surplus stock. Farmers will at that time be seeking a market for another wheat crop which will amount to anywhere from 250 millions to 500 million bushels depending on weather conditions throughout the growing season."

The bulletin goes on to state that for the duration of the war there is little prospect of any substantial outlet for Canadian wheat except in Great Britain and also that the Canadian public must realize that large areas in western Canada are suited only to the growing of wheat and that there are tens of thousands of farm families dependent on the sales of this commodity for their livelihood.

10% Alcohol

The addition of a 10% mixture of power alcohol manufactured from wheat, to Canada's total gasoline consumption would require over 40 millions of bushels of wheat annually.

This power alcohol, it is stated, is regarded as a substitute for tetraethyl lead which is imported into Canada. A mixture of the power alcohol produced from wheat with ordinary gasoline, it is stated, would produce suitable fuel and increase the octane rating of the ordinary gasoline by about 10 points.

Although no definite figures have yet been published, The Post understands that scientists looking into this matter are now fairly convinced that they can produce the new type of fuel at a very small increase in cost over the production of the ordinary type of gasoline. They are also hopeful that this can be done and still permit paying farmers a satisfactory price for the wheat used.

The difference in cost between that of ordinary leaded gasoline at present and the new alcohol gasoline for the whole of Canada, it is stated, could be covered by a national subsidy of less than $150,000 a year. This cost, it is maintained, would be largely offset by the savings in carrying charges on the large amount of surplus wheat which would be used under the new plan. It is also stated that, after the alcohol had been removed from the wheat, there would still be a substantial by-product remaining which could be sold as livestock feed.

Commodities

Markets Show Firmer Trend

Export Quotas Expected in Cocoa — Japan Buys Silk at Minimum Price

Commodity futures markets have shown a stronger trend but the volume of business passing is still moderate, indicating a continued feeling of uncertainty among buyers generally.

Cocoa prices were a shade firmer owing to reports that an export cocoa quota might be arranged between British and South American cocoa interests to stabilize the market. The rumored plan was somewhat similar to that in existence on coffee.

Wool tops also showed strength, due to higher prices in the Argentine where U.S. industrial buyers were said to be absorbing considerable quantities.

Buying of raw silk by manufacturers was brisk. On top of this the Japanese Government was buying offerings at a minimum price which kept the market firm.

Rubber prices also advanced. Markets in the Far East were reported firmer with offerings limited. The advance of 25% in ocean freight rates on rubber will go into effect March 1. This advance is due to scarcity of shipping space.

Agricultural commodities generally were steady to firm.

	Latest week	Previous week	Same week last yr.
Cattle	$10.00	$9.50	$7.50
Hogs	11.50	11.50	12.15
Copper, lb.	.12	.12	.11¼
Cotton, lb.	.1092	.1090	.1137
Rubber, lb.	.1960	.1975	.1925
Silk, lb.	2.57½	2.56	3.17½
Sugar, raw, lb.	.0295	.0295	.0282
Wheat, Man. (bu.)	.75⅝	.74⅝	.82¼
Coffee, lb.	.05⅜	.05⅜	.05⅝
Hides	.12¼	.12¾	.13¼
Weekly Indices			
Canada (D.B.S.)	84.8	84.8	82.3
Do., Wood, Gundy	67.4	67.5	66.4
U. S. Labor	80.6	80.8	78.8
Dow Jones (future)	55.95	55.70	59.31
Fishers'	85.4	85.7	84.6
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)*	108.0	107.8	103.8
W'sale (Dec.)	84.2	84.0	81.7
U. S. (Nov.)	79.6	78.7	79.2

Note:—The base of indices is that 1926 equals 100. *Base 1935-39= 100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

N. American Elevators Reports Improvement

First nine months of the fiscal year of North American Elevators Ltd. has shown an improvement, according to C. H. Burgess, president of the company. Bank loan, which amounted to $100,000 at April 30, 1940, has been cleared off, it is stated.

The degree of improvement in profits will not be known until the outward movement of grain from St. Lawrence ports commences in the spring, Mr. Burgess stated. As the company does not engage in feed production, repercussions from the proposed freight subsidy on feeds from the lakehead will not affect its earnings.

Terminals Congested Movement Dragging

Shipment of Wheat Out of Country Elevators Is Almost at Standstill — Still Wait Decision on Further Storage

From Our Own Correspondent

WINNIPEG.—Movement of wheat out of country elevators in western Canada is almost at a standstill, on account of congestion of space at terminal elevators. These have been gradually filling since the close of navigation. The only wheat moving from country elevators is of tough or damp grades, for immediate treating and certain lower grades for which there is a steady domestic market and no terminal storage is required.

Glum Export Outlook

World wheat supplies for the first half of 1941 are record size and concentrated heavily in overseas exporting countries, states a current wheat survey of the Food Research Institute of Stanford University, California.

In Canada and Argentina, embarrassing surpluses present serious problems of storage in the face of wartime barriers to exports. In Continental Europe except Russia, wheat supplies are moderately light, unevenly distributed and partly withheld from consumption by governmental agencies and by farmers.

World wheat exports in August-December were lower than in any preceding year of the present century, with the possible exception of 1917-18. Australian and Argentine exports were well maintained; but clearances from North America were strikingly small, especially as compared with the record-heavy supplies there.

During the next six months, world exports seem likely to continue low, continues the survey, perhaps bringing the crop-year total to 450 million bushels. In the major exporting countries, government price-supporting measures will presumably continue to dominate the course of wheat prices. In the United States prices will be affected not only by the operation of this year's wheat-loan programme, but also by the outlook for changes in the Government's agricultural programme for 1941-42.

• • •

Wheat War Reserve

Canada's staggering pile of unsold wheat is stressed rather as a valuable war reserve than an unmitigated liability by W. G. Watson, General Manager of Toronto General Trusts in his annual address to shareholders this week. Stated Mr. Watson:

"The disposition of the surplus wheat is no doubt one of the largest of our domestic problems at this time. Some study is being given to the possible reduction of wheat acreage during the current crop year, though this presents many practical difficulties and is fraught with grave responsibilities.

"In considering this matter, however, we should remember that large reserves of food are vital to the successful conduct of any war and though moisture conditions were favorable in western Canada last fall so that the outlook for this year's crop is promising, we can, of course, have no guarantee of good crops from year to year. One or two major crop failures on the North American continent, in the light of the world situation, notwithstanding our present surplus of wheat, might conceivably have serious results.

"We cannot afford to take chances in connection with supplies of war equipment and munitions of all kinds and so are wisely undertaking great expenditures in this direction even to the building of new plants at great cost. On the other hand we surely cannot afford to take risks with our reserves of food products lest the Empire, our Allies and our democratic friends should suffer—not to mention a probable hungry world at the conclusion of the war. No doubt the bulk of our surplus wheat as in the past will ultimately fill a pressing human need as other such surpluses have done in the long history of the world."

• • •

Country Elevators Fill

Space in country elevators is steadily being absorbed. At practically all points the Wheat Board has been able to increase quotas for delivery from the standard basis of 12 bushels per seeded acre to 15 bushels and at a large number of points the quota is 20 bushels per acre. A limited number of farmers are slow to deliver all their wheat allowed under the quota system

A large number of country elevators with their annexes are filled to absolute capacity and a certain number in districts where crops were light have accommodated all the grain to be delivered at their stations. To some limited extent grain has been transferred from overloaded country elevators to others with room to spare, but space is not being used for outside grain until all local customers have had a chance to complete their alloted deliveries. The peak of capacity of the country elevator system will possibly be reached about the end of March. Then until the lake movement starts there may be complete congestion.

• • •

New Space Undecided

No definite announcement as to arrangements made between the terminal elevator companies and the Government for new temporary storage is yet available. But it is expected that announcement will be made, if not before the opening of Parliament, at least shortly after. The extent of building required to store the balance of the 1940 crop will make it important that operations should commence at the earliest possible date in the spring.

• • •

Next Year's Price

Trading in October wheat has not yet been authorized and it is presumed that such trading will not be allowed until the Government reaches a conclusion as to the basis for handling next year's crop. The price of October wheat will undoubtedly be pegged but the level of the peg will necessarily be related to the level of the Wheat Board initial price. There is a good deal of speculation as to whether the 70 cent basis will be established for the new crop, or whether some higher basis will be introduced as compensation for the limited quantities of wheat which presumably can be disposed of by farmers during the next crop year. As one basis for a higher price suggestions were made for increasing the processing tax on wheat milled for Canadian use to 50 cents a bushel. In that connection note is taken of the fact that farmers in the eastern provinces, who had been charged the 15 cent processing tax on their own wheat milled for their own consumption, have had the tax rebated to them. That is because such farmers do not benefit from the operations of the Canadian Wheat Board. The step is taken as an indication of some of the difficulties that may be met in securing approval for a considerable increase in the processing tax.

Indust. Advertisers To Meet in Toronto

The 19th annual conference of the National Industrial Advertisers Association will be held in Toronto in September, Richard P. Dodds, president of the Association and advertising manager of Truscon Steel Co., Youngstown, Ohio, has announced.

The conference will be sponsored by the Industrial Advertisers Association of Ontario, the Toronto chapter of the N. I. A. A. This chapter has a membership of 50 headed by John A. M. Galilee, assistant advertising manager, Canadian Westinghouse Co., Hamilton. Mr. Galilee has been chosen general chairman for the conference and is now organizing the necessary committees to look after details of the gathering. The Montreal chapter of the N. I. A. A. will co-operate.

Total membership of the N. I. A. A. is over 1,500 and it is expected that approximately 1,000 members and guests of the association will attend the conference.

Wheat Prices

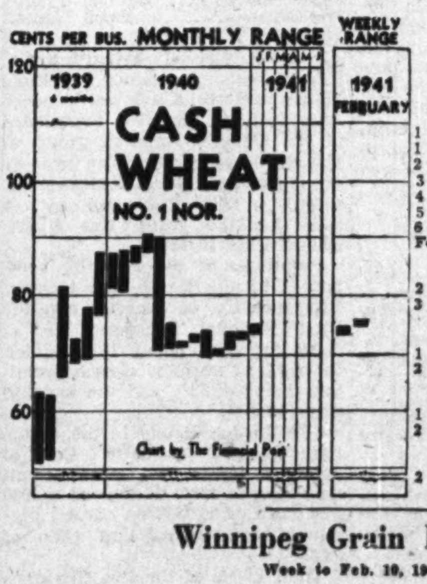

Chart by The Financial Post

Cash Quotations

	For Week Feb. 10		Prev. Week	
Wheat:	High	Low	High	Low
1 Hard	.75⅝	.74⅝	.74⅜	.73⅞
1 Nor.	.75⅝	.74⅜	.74⅜	.73⅞
2 Nor.	.73⅛	.71⅞	.71¾	.71⅛
3 Nor.	.70⅛	.68⅞	.68¾	.68⅛
4 Nor.	.68⅛	.66⅞	.66½	.65¾
5 Wheat	.66⅛	.64⅞	.64	.63½
6 Wheat	.65⅛	.63⅛	.63½	.63
Feed	.63⅛	.61⅝	.61½	.61
Oats:				
2 C. W.	.33½	.33¼	.33⅞	.32¾
3 C. W.	.31¾	.31½	.32⅛	.31
Barley:				
1 Feed	.44⅝	.43¾	.43⅝	.42⅞
2 Feed	.44½	.43	.42⅞	.42⅛
Flax:				
1 C. W.	1.55	1.52⅛	1.50¾	1.47½
2 C. W.	1.52½	1.50⅛	1.52½	1.44½
Rye:				
2 C. W.	.47⅞	.46½	.46¾	.45¾

Winnipeg Grain Futures

Week to Feb. 10, 1941

Crop year from Aug. 1, 1940 High	Low		Open Feb. 4	High for week	Low for week	Close Feb. 10	Close year ago
		Wheat					
.78¾	.71⅝	May	.77⅛	.78⅛	.76⅞	.78	.85¾
.80½	.77½	July	.78⅝	.80⅛	.78½	.79⅝	.85⅝
		Oats					
.35⅞	.26⅝	May	.34½	.35¼	.34½	.34⅞	.40⅝
.33⅞	.29½	July	.33	33½	.32⅞	.33¼	.38⅝
.32	.30⅝	Oct.	.31⅜	.31½	.31¼	.31⅜	.34⅝
		Barley					
.46⅞	.33⅝	May	.45⅝	.46⅝	.45⅛	.46⅜	.54¼
.44⅞	.39⅞	July	.42⅝	.43⅝	.42⅝	.43¾	.52¼
		Flax					
1.63¼	1.16	May	1.50½	1.60	1.50½	1.55⅜	1.93¼
1.62	1.29½	July	1.49¾	1.58	1.48⅜	1.53	1.91¾
1.58¼	1.43	Oct.	1.46	1.52⅜	1.46	1.48¾	1.88½
		Rye					
.52	.44¼	May	.48¾	.50¼	.48½	.49¾	.73¾
.51⅝	.47⅞	July	.48⅝	.50⅝	.48⅝	.49⅞	.73⅝

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EST. 1857 LIMITED

Urges Immediate Adjustment of Canada's Wheat Acreage

"Canada has no divine right to grow wheat—and get paid for it," states W. Sanford Evans in a survey of Canada's wheat problem, entitled "How Many Acres?" The survey has just been published by Sanford Evans Statistical Service of Winnipeg.

After outlining the present situation with every storehouse in the Dominion, permanent and temporary, filled to the roof, and another crop only six months away, Mr. Evans traces the development that led to the present crisis.

Mr. Evans plots a chart that shows Canadian wheat acreage far far out of line with the rest of the world. There was a rapid expansion between 1928 and 1932, then a sharp decline to 1934 which brought the acreage of Canada into line with other countries. From then until 1938 we moved along with the rest, then broke sharply away and upward.

"This development," remarks Mr. Evans, "cannot be unconnected with government measures . . . The Government has been guaranteeing to producers an unlimited market in a world in which the market is limited."

Canada, maintains Mr. Evans, cannot drive her wheat growing competitors out of business and had better co-operate with them. He suggests that a government policy be adopted which would result in wheat acreage being adjusted more closely with export demands. He argues that the present time is most favorable for such adjustment, as war industry and war service have substantially lessened the number of people directly dependent on farm income.

"At terrible cost to Canada," states Mr. Evans, "the Great Drought corrected the 1933 position. The world is again in deep trouble, but if production in the last three years had been cut by a mere 7% there would have been no excess at all last August, the price position would have been firm and our own only problem now would be the effects of the war on this year's trade. The percentages involved are small."

Exports of Wheat And Flour Down

Both Volume and Dollar Value Well Below Comparative Months

Canadian exports of both flour and wheat in January this year were well below the corresponding month in recent years. The drop in wheat was more severe than in flour. Values per unit did not show a great deal of difference although down slightly over the immediately preceding year.

Comparative figures for exports of both wheat and wheat flour follow:

Wheat Flour Exports

January:	Quantity Barrels	Value $	Average Export Price $
1938	295,776	1,692,033	5.721
1939	379,538	1,172,324	3.089
1940	725,316	2,612,385	3.602
1941	354,818	1,243,404	3.504

Wheat Exports

January:	Quantity Bushels	Value $	Average Price $
1938	7,193,988	8,922,395	1.240
1939	7,878,963	4,646,437	0.590
1940	10,357,605	9,249,937	0.893
1941	4,880,060	3,973,441	0.814

Federal Foundries Plant Ahead of Schedule

London plant of Federal Foundries & Steel Co. will be ready to start operations on March 1, two weeks ahead of schedule, according to official announcement. Actually, it is said that operations could start earlier in this plant, which has been idle for a number of years, but power contract does not go into effect until that date.

At the Windsor plant, work will be pushed as soon as the London plant is working and it should be ready shortly after. It is also said that over 60% of the bond issue has now been sold.

Much of the credit for the early operation of Federal Foundries is said by those close to the company to be due to A. J. Brandt, vice-president in charge of operations and production. Mr. Brandt is an industrial engineer and senior partner of A. J. Brandt Co., Detroit, who has specialized in reorganization and rehabilitation of industrial enterprises as well as in layout and operation of new plants. At present he is also serving as assistant to William Knudsen in charge of aircraft production in the United States. He has served du Pont, General Motors and many others.

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THIRD FLOOR

ADDRESSES POLICYHOLDERS MUTUAL LIFE OF CANADA

R. O. McCulloch
President of The Mutual Life Assurance Company of Canada, who addressed the policyholders at the Seventy-First Annual Meeting at Waterloo.

The
WAWANESA
Mutual Insurance Company

Assets Exceed ...	$2,600,000.00
Surplus	1,330,363.89
Dominion Govt. Deposit exceeds	1,000,000.00

Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.

Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

HOME ASSURANCE COMPANY OF CANADA
Head Office:
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for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

FIRE INSURANCE WITH Dividends YEAR AFTER YEAR
Under the Northwestern Mutual plan annual savings returned to policyholders have reached the million-and-a-half mark. Since organization over $26,250,000 savings have been returned to policyholders.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
ASSETS $8,970,000

FEDERAL FIRE
INSURANCE COMPANY OF CANADA
Established 1922
HEAD OFFICE — TORONTO, ONT
Incorporated by Act of the Parliament of Canada

Authorized Capital	$ 1,000,000
Subscribed Capital	500,000
Paid-Up Capital	125,000
Deposit with Dominion Government	150,000

Statement for Year Ending December 31, 1940

ASSETS

Cash and Bank Balances	$ 96,679.16
Bonds at Book Value	428,288.47
Stocks at Book Value	122,927.57
Add Adjustment to Government Valuation	3,655.85
Interest Accrued	4,247.11
Agents' Balances and Premiums Uncollected	34,996.57
Due from Re-Insuring Companies	4,837.31
	$695,632.04

LIABILITIES

Provision for Unpaid Claims		$ 9,289.10
Due to Re-Insuring Companies		19,274.87
Agents' Credit Balances		334.49
Reserve of Unearned Premiums		199,719.64
Taxes Due and Accrued		23,067.38
Contingent Reserve Fund		3,655.85
Surplus for Protection of Policyholders—		
Capital Stock Paid In	$125,000.00	
Surplus	315,290.71	440,290.71
		$ 695,632.04

Neff, Robertson & Company, Auditors.
President—Col. Herbert A. Bruce, M.D.
Vice-President and Managing Director—H. Begg
DIRECTORS:
W. R. Begg
W. C. Laidlaw
Col. K. R. Marshall, C.M.G., D.S.O.
W. H. Buscombe, Secy.
George A. Gordon, Asst.-Secy.
Leigh McCarthy
F. K. Morrow
Frank Shannon
E. B. Stockdale
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J. G. Hutchinson, Asst.-Secy.
H. L. Kearns, Asst.-Secy.
Alan Coatsworth, Treas.

Fire & Casualty Insurance

Grain Elevator Loss Shows Improvement

Canneries, Tanneries and Retail Stores Also Have Lower Fire Loss Ratio — Saw Mill Ratio Jumps

In 15 of the 27 classifications into which the Dominion Department of Insurance divides fire insurance risks, the fire loss ratio was lower in 1939 than in the preceding year, according to the annual survey of experience just released from Ottawa. Compared with the five year average, however, an increase is seen.

The best exhibits as far as a reduction in the loss ratio is concerned was shown by grain elevators, tanneries, canneries, and miscellaneous mercantile risks, the worst by saw mills.

Grain elevators made a more favorable showing than in the previous year or the five year average both in the monetary loss and the percentage of losses to premiums. In the later months of the year, after the big 1939 crop was harvested, elevator space was fairly well filled. This meant larger premiums and also tended to reduce losses because the elevators being in operation were under closer supervision.

Increased installation of fire prevention apparatus was also held to be a factor in reducing fire losses in grain elevator and other types of risks.

The fire loss ratio in sawmills was substantially higher owing to two or three large fires in sawmills and lumberyards in British Columbia and Quebec.

Residential properties showed a higher loss ratio than in either of the two years previous, but the showing compared favorably with the five-year average. This classification usually represents about one third of the total fire insurance in Canada. Retail stores which are another large group of risks showed a loss ratio little changed from the previous year.

Fires in properties equipped with sprinklers were lower in both property value and the percentage of premiums than in the previous year.

	Net Premiums Written $	Net Losses Incurred $	Ratio Net Losses Incurred To Net Prems. Written 1939 %	1938 %	5-year Aver. %
Dwellings:					
In protected municipalities	8,104,714	2,869,199	35.40	32.05	34.05
In unprotected municipalities	3,300,697	1,505,271	45.60	44.84	47.16
All other dwell. & farm props.	2,375,437	1,076,570	45.32	45.54	47.95
All other 2 and 3-year risks	2,098,044	1,103,503	52.60	51.04	40.52
Mercantile risks:					
Wholesale stores, warehouses and contents	995,499	328,745	33.02	50.00	36.25
Retail stores and contents	8,260,326	3,106,104	37.60	37.68	35.24
All other mercantile risks	707,344	144,860	20.48	22.30	21.53
Breweries and malt houses	88,326	68,445	77.49	2.32	17.40
Boot and shoe factories	33,869	13,573	40.07	29.79	40.60
Canning factories	203,130	27,595	13.58	136.31	54.64
Confectionery & biscuit factories	31,950	10,197	31.92	51.67	38.08
Flour and oatmeal mills	179,222	64,475	35.97	103.57	46.38
Grain elevators	846,890	88,231	10.42	50.21	29.64
Laundries	104,735	47,059	44.93	22.22	27.37
Sawmills	371,089	479,735	129.28	37.01	52.66
Lumber yards	753,591	188,427	25.00	22.15	26.15
Machine shops and metal workers	407,255	180,182	44.24	28.85	37.02
Mining risks	899,423	239,394	26.62	20.13	44.82
Pork packing and curing houses	78,150	50,356	64.44	14.11	35.16
Pulp and paper mills	126,563	81,188	64.15	129.10	54.30
Street car barns	113,201	23,484	20.75	23.23	27.11
Tanneries	17,064	1,332	7.81	30.40	80.65
Woodworking factories	381,877	163,251	42.75	65.14	46.73
Woollen and knitting mills	45,015	48,257	107.20	21.92	48.74
All other manufacturing risks	1,824,544	802,520	43.98	45.55	39.69
All other 1-yr. and short-term risks	5,931,874	2,472,350	41.68	49.60	37.06
Sprinklered risks	3,818,650	1,007,606	26.39	39.67	30.62
Totals, 1939	▲42,098,479	▲16,191,909	38.46	40.94	37.15
Totals, 1938	43,398,076	17,766,229	*40.94	†34.90	37.63

▲Including premiums and losses not allocated to any province or class.
*1938. †1937.

Revolution In Bread

(Continued from page 11)

issued in which the view was expressed that:

"The milling and baking industries would do a great service in improving the diet of our people if the bread of today contained greater unit quantities of vitamin B1.

"Not only would it benefit our national health and especially those groups of people who are large consumers of bread but have limited incomes to purchase a variety of more expensive foods, but should bring a new interest to bread and thus assist in a greater consumption of wheat in this country.

"We do not believe that much will be accomplished by treating this new product as a specialty as it would only have limited attraction in that form. Rather we would like to see all bread contain a reasonable quantity of vitamin B1 and look forward to the time when every baker in the country can advertise that all his bread products contain more than 200 international units of vitamin B1 per pound.

"Furthermore, the Canadian Health Association and the medical profession would be an added support to a great popularization of bread in the diet and should assist in boosting consumption."

With prospects of a further increase in processing tax as well as a further increase in the prices of wheat, many Canadian bakers and millers are hesitant about plunging too quickly into this situation. One baker with whom I discussed this matter last week told me that the cheapest method of introducing this bread would increase costs about one third of a cent a loaf.

As yet there is no indication that the Canadian Government is going to follow British procedure and made "fortification" of Canadian flour compulsory.

But this marriage of thiamin and white bread cannot be long delayed. And once the marriage proves successful there will quite naturally and properly be a rapid extension of vitamin "fortification" into other food products.

Just what effect this will have on wheat consumption is yet too early to determine. One authority expressed this view:

"If the flour industry should put back in the dietaries of the public what they took out, then there would no longer be any real thiamin deficiency and there would be no need of talking about it any more."

This is probably a pessimistic view.

We North Americans are getting increasingly vitamin conscious. If white bread, as well as being delicious and palatable, is also established beyond question as a rich and potent source of thiamin, its place in the dietary sun and on the average Canadian table seems increasingly assured.

Obituaries

Howard Heinz, president H. J. Heinz Co. of Canada Ltd., at Philadelphia.

F. J. Freer, manager, mortgage investments department of the Great West Life Assurance Co. of Winnipeg, in airplane crash near Armstrong, Ont., aged 48.

A. Homer Vipond, of Montreal, chartered life underwriter of the New York Life Insurance Co., former president of the Life Underwriters Association of Canada, aged 64, at St. Petersburg, Fla.

F. W. Gasston, manager wholesale department Hudson's Bay Co., Winnipeg, in airplane crash near Armstrong, Ont.

R. McQueen, Winnipeg, director of Bank of Canada and Professor of Economics, University of Manitoba, in airplane crash near Armstrong, Ont.

Harold Moss, Toronto, president It Co., killed in airplane crash near Armstrong, Ont.

Francis Curzon Dobell, president United Bond & Share Ltd., Wood-Cadillac Mines Ltd., director Brown-Bousquet Mines Ltd., aged 42, at Montreal.

POLICYHOLDERS' DIVIDEND

The Equitab.. Life of Canada announces the continuation of the 1940 policyholders' dividend scale for 1941. This scale has been unchanged since 1936. Interest on dividends left with the company to accumulate will be paid at 4% per annum and excess interest on proceeds of policies payable under settlement options brings the rate on such proceeds up to 4%.

New Licenses

The following companies have been licensed by the Dominion Department of Insurance to write the lines of insurance indicated:

National Retailers Mutual Insurance Co.—Fire, automobile, excluding public liability, falling aircraft, earthquake, tornado, hail, sprinkler leakage, limited or inherent explosion, civil commotion and insurance against damage to property caused by vehicles. Vance C. Smith, Toronto, is chief agent for Canada.

• • •

Pool Insurance Co.—Fire, civil commotion, earthquake, limited or inherent explosion, falling aircraft, hail, sprinkler leakage, tornado. Robert M. Dancer, Winnipeg, is chief agent.

• • •

Lumbermen's Underwriting Alliance—Earthquake insurance on property already insured by the Alliance against fire.

• • •

New Brunswick Fire Insurance Co.—Personal property insurance.

• • •

Union Insurance Society of Canton—Forgery insurance.

• • •

General Security Insurance Company of Canada—Fire, accident, automobile (excluding fire), burglary, limited explosion, guarantee, hail, inland transportation, personal property, plate glass, sickness, sprinkler leakage, tornado, civil commotion, earthquake, falling aircraft, insurance against damage caused by vehicles to property insured by the company against fire. A. Samoisette, Montreal, chief agent.

Insurance Company Reports

Sun Life

A gain of $25 millions in insurance in force is shown by the Sun Life Assurance Co. in its report for 1940. This result was achieved although new insurance effected during the year was down by almost an equal amount.

Commenting on the decline in new insurance, Arthur B. Wood, president and managing director, stated that many members of the company's agency staff in all parts of the Empire had enlisted in the armed forces. Many others had been absorbed in full time war duties at home. In the United States there was some reluctance in the first nine months of the year to do business with a Canadian company because Canada was at war. This feeling, however, had passed.

Total receipts for the year at $167.3 millions were higher than in 1939. Premium income and consideration received for annuities were lower while income from interest and dividends was higher.

Policy payments totalled $94.1 millions of which $14.5 millions was in dividends on participating policies. Total payments to policyholders and beneficiaries since organization amount to $1,389,808,553.

Earned surplus during the year, including $3.1 millions from redemption or sale of ledger assets, totalled $23.5 millions. Mr. Wood intimated that the basis of dividends on participating policies for the dividend year beginning April 1 was being revised to reflect present conditions and trends more closely.

Assets increased during the year to $950 millions.

	1940 $	1939 $
New insurance	169,508,809	194,181,820
Bus. in force	2,963,708,831	2,938,478,254
Total receipts	167,319,246	166,035,854
Prem. inc.	99,927,420	101,322,616
Annuity pre.	11,667,533	12,666,147
Int. divids.	34,724,096	33,500,925
Pol. payments	94,173,482	89,927,722
Death clms.	25,792,656	24,890,685
Disab. clms.	1,886,206	1,880,159
Mat. endows.	19,966,820	18,848,033
Annuity inc.	10,227,504	10,393,418
Divids. to p'holders	14,506,782	14,101,911
Surrenders	17,250,317	16,783,698
Excess receipts over disbu.	43,166,408	47,762,621
Assets	950,794,366	914,767,311
Bonds	507,667,194	461,057,902
Com stocks	216,071,256	228,092,769
Pfd. stocks	14,985,216	14,354,769
Pol. loans	84,813,611	84,535,780
Cash	28,691,356	33,334,067
Pol. reserves	800,267,559	770,797,431
Free surplus	18,118,207	18,118,207

Northern Life

Insurance in force with the Northern Life Assurance Co. at the end of 1940 was about $2 millions higher than in the previous year. This result, President R. G. Ivey stated, was achieved along with a 15% increase in new business written. Termination of policies from lapsation and surrender were noticeably decreased, contributing to the gain of about 4% in business in force.

Expense ratios were reduced and total income was reported well over $2 millions.

Mortality in 1940 was somewhat higher, because the Northern Life had a somewhat undue proportion of the losses incurred among the armed forces.

The rate of interest earned on investments was 4.21% compared with 4.71% in the previous year.

	1940 $	1939 $
Insurance in force	52,000,000	50,020,048
Policy payments	1,003,980	1,022,660
Assets	11,714,176	11,367,453
Bonds & debs.	3,971,895	3,171,226
Pol. loans	1,573,529	1,128,235
Mortgages	3,905,180	3,788,729
Stocks	661,562	630,555
Pol. reserves	9,753,425	9,383,672
Surplus	254,994	353,048

Empire Life

Gains in insurance in force, total income and assets were features of the annual statement of the Empire Life Insurance Co. for 1940. New insurance written during the year also showed a small increase. In his report, President C. P. Fell stated the staff had been subject to many unusual influences, including enlistments and the demands of industry.

Payments to policyholders and their beneficiaries were slightly lower than in the previous year.

An increase in cash income was due to larger premium income and higher revenue from interest and dividends.

The company's assets during the year passed the $10 millions mark. Holdings of bonds and debentures rose during the year and are now 62.5% of invested assets. First mortgage loans, all on urban properties, are 16% of invested assets. Surplus earnings were stated to be the highest in the company's history.

	1940 $	1939 $
New insurance	4,225,391	4,221,794
Insurance in force	38,682,622	38,114,680
Total income	1,555,643	1,528,545
Net prem. inc.	1,045,594	1,009,851
Int. divids., etc.	454,655	413,441
Policy payments	723,052	740,457
Head office exp.	302,181	322,429
Total disbursements	1,127,212	1,100,108
Excess of receipts over exp.	428,431	428,437
Assets	10,131,642	9,852,440
Bonds & debs.	6,167,658	5,419,389
Mortgages	1,392,343	1,659,049
Stocks	846,909	850,165
Policy loans	883,755	879,801
Policy reserves	9,196,409	8,835,417
Free surplus	288,921	287,654

General of America

Increased premiums written, higher assets and a lower expense ratio featured the 1940 experience of the General America group of insurance companies. The expense ratio for the group was 43.89% against 45.62% in 1939. The combined loss ratio for the group was 47.36% against 47.19 in 1939.

Premiums of the two fire companies in the group, the General Insurance Co. of America and the First National Insurance Co. of America, were about 16% higher, the ratio of losses to earned premiums being 46.66% and the expense ratio 46.26%.

The third company in the group, the General Casualty Co. of America, wrote 30% more premiums than in 1939. It showed a 1940 loss ratio of 48.85% on earned premiums and an expense ratio of 38.83%.

Total assets of the two fire companies increased $1.6 millions the gains being in stocks and cash. On the liability side, reserve for unearned premiums was about $1 million higher. Policyholders' surplus also was higher.

The General Casualty increased its assets $878,000 with policyholders' surplus also larger.

President H. K. Dent stated that the company's loss on the Narrows Bridge at Tacoma would not exceed $50,000 because the company has catastrophe protection beginning at $50,000.

The company maintains a deposit of $752,000 at Ottawa for the exclusive protection of Canadian policyholders.

Combined General and First National	1940 $	1939 $
Total assets	18,643,475	17,070,543
Govt. bonds	5,299,506	5,296,182
Other bonds	3,060,804	3,337,299
Stocks	5,726,064	4,909,387
Cash	2,711,699	1,720,194
Prems. written	11,278,000	7,543,000
Reserves:		
Unearned prems.	8,583,065	7,526,170
Net surplus	5,850,126	5,723,364
P'holders' surplus	8,115,126	7,968,364
General Casualty Co. of America		
Total assets	6,497,586	5,618,915
Govt. bonds	2,086,638	1,986,330
Other bonds	1,990,261	2,078,468
Stocks	799,406	500,406
Cash	[illegible]	462,631
Prems. written	4,271,000	3,201,000
Reserves:		
Unearned prems.	2,468,095	1,916,525
Net surplus	849,461	831,982
P'holders' surplus	1,969,461	1,941,982

Maritime Life

Business in force with the Maritime Life Assurance Co. at the end of 1940 was $776,270 greater than at the end of the previous year. As with many other companies the new insurance written was slightly below 1939, but persistence of the business on the books resulted in the net gain for the year. Total income was higher, both premiums and interest from dividends showing improvement. Assets also were higher. In the assets account securities and policy loans were higher, while mortgages were lower. Policy reserves were about $280,000 higher.

	1940 $	1939 $
New insurance	1,974,050	2,066,021
Insurance in force	18,265,111	17,488,841
Total income	561,949	536,524
Premiums	494,770	480,578
Interest, etc	137,307	128,738
Policy payments	128,809	128,464
Claims, death & dis.	65,196	55,349
Matured endows.	16,322	6,450
Surr. values	43,600	63,150
Annuities, etc.	3,692	3,514
Assets	3,311,586	2,992,072
Securities	2,551,355	2,196,316
Mortgages	226,851	255,560
Pol. loans	236,574	212,076
Cash	127,823	148,886
Pol. reserves	2,755,160	2,470,024
Surplus	459,472	429,082

Economical Mutual

Increased income, assets and reserves are shown by the Economical Mutual Fire Insurance Co., of Kitchener, in its annual report for 1940. Total premiums written were up almost $150,000. Net premiums earned also were higher. The loss ratio on an earned basis in all lines was 43.9%.

A substantial reduction in the loss ratio was shown in the fire department where it fell to 36.3% from 58.8% in 1939.

Automobile loss ratio was higher at 54.1% compared with 48.4% the year before. Excessive speed and lack of care by drivers were named in the report as big causes of accidents. The balance sheet shows an increase in assets, this being mainly in bonds and mortgages. Dominion, provincial and municipal bonds form 41.6% of total investments. The average rate of interest earned amounted to 4.07%. The company subscribed $115,000 to the two war loans and made grants to Red Cross and other patriotic organizations.

The company is now starting on its 70th year.

	1940 $	1939 $
Assets	2,991,191	2,828,933
Bonds & debs.	1,577,828	1,457,215
Mortgages	938,335	900,841
Prems. written	984,884	837,903
Prems. earned	795,320	735,534
Net reserves	422,320	368,907
P'holders' surplus	2,334,635	2,224,222

Federal Fire

Fire and casualty insurance premiums underwritten by the Federal Fire Insurance Co. in 1940 totalled $357,638, an increase of $10,797 over 1939, according to the statement presented at the annual meeting by Vice-president and Managing-director Herbert Begg. The loss ratio, he stated, was substantially lower at 37.12 compared with 46% in 1939. Assets at $695,632 were $24,069 larger than in the previous year.

Fred Morrow, seconding the adoption of the report, mentioned that, donations had been given by the company to the Canadian Red Cross Society as well as to the British War Victims, Greek and Norwegian funds.

	1940 $	1939 $
Assets	695,632	671,502
Bonds	428,288	400,609
Stocks	122,927	122,927
Cash	96,679	78,071
Res. unearned prems.	199,719	193,444
P'holders' surplus	440,290	419,119

NEW DIRECTOR

W. B. Powell, of Hamilton, who has been elected a director of the Mutual Life Assurance Co. of Canada. Mr. Powell is president of the Appleford Paper Products Ltd., and a director of Cosmos Imperial Mills Ltd. and Prudential Trust Co.

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING
TORONTO
Fire and Allied Lines Written in Associated Companies

Life Insurance

Policy Rates Due For Rise

Difficulty of Replacing Profitable Investments the Main Factor

Low interest rates continue to be a cause for concern in life insurance circles, both to the companies and their policyholders. Reports issued by the Canadian companies so far, in most cases, show the average rate of return on invested assets to have been lower in 1940 than in 1939. The decline in many cases was small, but even a small decline in the rate means much on millions of dollars of investments. In some cases companies showed an increase in the rate of interest earned, this being due to expansion of mortgages under the Dominion Housing Act. But these cases were in the minority.

One of the big factors in the situation is that as old higher-interest bond issues mature there is no place where they can be replaced in bulk with investments carrying a comparable rate.

Expected to Buy Bonds

Companies are expected to buy considerable quantities of government bonds both in Canada and in other countries where they do business. Interest returns on these in recent years have been substantially lower than formerly. Consequently in recent years there has been a marked decline in the return on new investments compared with that available on older holdings. In some instances this decline has amounted to approximately one per cent.

Life insurance companies derive their income either from premiums or interest on investments. Consequently, when interest rates fall, the difference has to be made up from premiums. The life companies have to meet their obligations in dollars and must get them some place.

Some weeks ago The Financial Post drew attention to the situation and while there has been no concerted move to increase rates, it is understood changes are under consideration which may be brought into effect before many months.

Participating Policies

Increased premium rates as such, of course, cannot be effected on existing contracts. It is only on new policies that higher rates can be quoted. But in the case of participating policies the companies can reduce the dividend, which has the same effect as an increase in the premium. Thus, if a premium is $40 and the dividend has been $5, if the dividend is cut to $3, the effect is the same as if the premium had been increased.

In some instances companies have low premium participating policies, however, and while there can be no change in the premium rate on existing contracts, an advance in the premiums for new contracts is quite a possibility. In non-participating policies the rise in the rates on new business is the only course open. There is no margin of dividends on which to work.

The difficulty in finding investments paying a profitable rate of interest affects annuity as well as life insurance funds. Especially is this the case in large single premium contracts. Consequently an increase in annuity rates is seen as a distinct possibility.

Manufacturers Life Makes Appointments

E. L. Sackville, branch manager of the Manufacturer's Life Central Ontario agency in Peterborough, has resigned on account of ill health. While giving up his managerial duties he will continue in personal production. He will be succeeded as manager of the branch by Marvin W. White, who has been district manager at Winsor, Ont., since 1937, and prior to that was a personal producer in Nova Scotia. Like Mr. Sackville, Mr. White has been active in the Life Underwriters Association work.

Mr. White will be succeeded at Windsor by John G. Allan, who entered the life insurance business in the Windsor agency over two years ago.

The Manufacturers Life also announces the appointment of Sheldon Buckles as branch manager at Calgary, where he has been acting manager for the past year.

From the 70th
ANNUAL REPORT
SUN LIFE OF CANADA 1871

Since 1871, in its seventy years of practical service, the Sun Life of Canada has paid benefits totalling $1,389,808,553.

ON EACH WORKING DAY OF 1940, policyholders and beneficiaries received $336,000, or a total for the year of $94,173,482. Of this amount, no less than 73% was paid to living policyholders, and the balance to the dependants of policyholders who died.

$169,508,809 of New Assurances were issued during the year increasing the total of assurance protection to the amount of $2,963,708,831. . . . The number of Policies now in force (including Group Certificates) exceeds one million, two hundred thousand. . . . Total Assets now stand at $950,794,366, the highest in the history of the Company.

For complete Annual Report apply to nearest Branch.

BUY WAR SAVINGS CERTIFICATES

"ASSURES SECURITY FOR OVER ONE MILLION PARTNERS"
SUN LIFE OF CANADA

Commenced Business 1906
MONARCH LIFE ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY

THE WESTERN ASSURANCE COMPANY
TORONTO · CANADA
INCORPORATED 1851
FIRE — CASUALTY — MARINE
AUTOMOBILE — AVIATION

Sixty-Nine Years of Continuous Progress

Balance Sheet as at December 31st, 1940

ASSETS		LIABILITIES	
Book Value of Real Estate owned or held for sale	$ 47,751.50	Total provision for unpaid claims	$ 90,958.84
Mortgage Loans on Real Estate, first charges	938,335.26	Total net reserve carried out at 80%	422,320.50
Agreements for Sale	5,296.76	Reserve and unpaid losses under unlicensed reinsurance unsecured	17,684.13
Book Value of Bonds and Debentures owned	1,577,828.42	Agency and other expenses, due and accrued	1,760.63
Book Value of Stocks owned	205,177.32	Taxes due and accrued	23,895.64
Cash on hand and in banks	70,985.81	Reinsurance premiums	8,622.55
Interest due and accrued	23,625.66	Reserve for loss on investments	87,176.15
Agents' balances written on or after October 1, 1940	114,463.51	Reserve for return of premiums	4,137.89
Amount due from reinsurance on losses already paid	7,727.44		$ 656,556.33
		Surplus for protection of policyholders	2,334,635.35
	$2,991,191.68		$2,991,191.68

ASSETS IN 1930, $1,692,071.22 — In 1940, $2,991,191.68

"Your Company is ably managed and exceedingly strong, and can again face the New Year with every confidence of success as it has done so many times in the past."

From the address of Henry Knell, President, Kitchener, Feb. 12th, 1941.

THE ECONOMICAL MUTUAL FIRE INSURANCE COMPANY
Henry Knell, President F. W. Snyder, Managing Director
HEAD OFFICE: KITCHENER, ONTARIO

THE CALL

for "Home Front" Service

By Buying War Certificates regularly you are enlisting your dollars.

A Pledge to Buy Certificates regularly each week, fortnight or month will produce better results than occasional purchases.

The Objective—a Pledge from every Canadian for the duration of the war.

Save for Canada now—for yourself in the future.

YOUR PLEDGE for the regular purchase of War Savings Certificates is urgently needed. It may be placed with your employer or your bank.

SAVE LEND TO CANADA

THE FURTHERANCE OF THE WAR EFFORT

has a first call on this Bank's services and support. This applies particularly to the increased needs of manufacturing and other business concerns—of agriculturists—and to the efforts of all citizens.

Payments by mail or cable to friends and relatives Overseas may be made through any of our branches, subject to Foreign Exchange Control Board regulations.

An Account at any of our Branches will be helpful.

The BANK of NOVA SCOTIA

EST'D. 1832—OVER A CENTURY OF BANKING EXPERIENCE

Ways We Can Help You

We can act as executor of your Will, administer your real estate, advise on insurance and investment problems and act as guardians of minors. Let us explain what we can do for you.

CAPITAL TRUST CORPORATION LIMITED

MONTREAL OTTAWA TORONTO

SAVE and LEND *Regularly* this convenient way

As a good citizen of Canada who wants Canada's war effort to count in this War for Democracy, you are planning to save regularly and buy War Savings Certificates.

THIS IS THE PLAN

Simply authorize the Bank to deduct regularly from your account any sum in multiples of $4.00 up to $40. We will deduct the amount on the 15th of each month, and you will receive from Ottawa the War Savings Certificates registered in your name.

For each $4.00 you put into War Savings Certificates, you receive back at maturity $5.00.

If you haven't an account, you will find it a convenience to open one now at any branch of this Bank.

IMPERIAL BANK OF CANADA

HEAD OFFICE: TORONTO - BRANCHES THROUGHOUT CANADA

A. E. PHIPPS, President H. T. JAFFRAY, General Manager

300A

Banking

Inflation Hits the Wage Earner

Within the past 10 days two top-flight Canadian economists have sounded a sharp warning against inflation as a means of financing Canada's war effort, a course recently suggested by Premier Hepburn of Ontario.

These gentlemen, Principal F. C. James of McGill University, Montreal, and Gilbert E. Jackson, formerly director of studies in Commerce and Finance at University of Toronto, told the Empire and Canadian Clubs at Toronto respectively that inflation at a time when Canada is approaching full employment as at present is an evil thing because:

> It causes price rises which are uneven, resulting in hardship to many, especially the wage earner and people with fixed incomes.
>
> It tends to stir up bad feelings between different classes of the community such as debtors and creditors, producers and consumers, when unity is needed.
>
> It can and has impoverished whole nations.

Gilbert Jackson, who has had wide experience of business, having been formerly economist for the Bank of Nova Scotia and later on the economics staff of the Bank of England before returning to Toronto to enter the investment business, approached the subject from the angle that expansion of the currency in itself need not necessarily be regarded as a bad thing if the timing is right.

One example of it having been done successfully, he cited, was when Right Hon. R. B. Bennett, Premier of Canada, following the 1932 economic conference, issued $35 millions of currency to the banks for which they had not asked and most of them did not want. Looking back on the stimulus to business that immediately followed, Mr. Jackson claimed such a procedure may benefit a country. Looking abroad he found collateral evidence in Germany and Australia. As negative evidence pointing to the same conclusion, he quoted France which struggled to maintain its gold standard with the result that financial paralysis became economic paralysis then politcal and finally spiritual. An inflationary proposal, he urged, should not be ruled out simply because it is inflationary. It should be judged, he claimed, with due regard for circumstance in relation to time and place.

Whatever the rights or wrongs of the management of Canada's currency affairs, he stated, they could not have been put in more capable hands than those of the senior officers of the Department of Finance and the Bank of Canada. The fact that these men are keeping the volume of the currency in check he saw as evidence that they do not see the need now for deliberate inflation, a position with which he agreed.

He recognized there had been times in the past when conditions made inflation not only tolerable, but necessary. Vast unused resources were calling out for use, men and machines were idle, materials in oversupply. New purchasing power he saw then acting as a blood transfusion on the body, filling it with fresh vitality. But the creation of this unused purchasing power under such conditons he declared led only to the production and sale of goods which otherwise would not have been produced and sold. It did not greatly affect prices or the cost of living. The common character of these periods was they had an unused capacity to produce.

Contrast to Canada

That situation he saw as in marked contrast to that in Canada today. After 18 months of war Canada was exceedingly busy. He cited informed opinion that by midsummer she would be producing to capacity and then greater production of anything could be accomplished only by producing less of something else. Yet production would then have to be redoubled and this, he said, could be done only by diverting peace industries to war production.

Thus the problem of today he described as being not to encourage consumption of goods by the people but to shut off the demand to increase the war effort.

This, he stressed, was one reason the Dominion Government was taxing till it hurt—not only to raise money, but to cut down demand for goods for personal use so that the armed forces will not go short. The more the demand is cut down the less will be the disturbance to prices, he declared, but he regretted it will be impossible to shut off all the demand entirely. A certain amount of inflation he saw as inevitable. But inflation he regarded as something to be viewed with apprehension because it will increase terribly the strain on the country.

When Production Limit Reached

If when the limits of production are reached the supply of money continues to expand there can be only one result — skyrocketing prices. He saw them skyrocketing in spite of controllers. If prices advanced altogether in step, he stated, nobody would suffer except bondholders, pensioners, old folk with annuities and people with fixed incomes generally. But he pointed out prices don't advance in formation. Prices, too, of goods of which the supply is short will rise. Values of others, where there is a surplus, can rise only slowly. Thus some will benefit and some will not. The rich have resources enabling some at least to hedge against inflation. But the skilled laborer with a wage agreement that can't be changed every day, or a farmer raising crops of which there is a world surplus has reason to worry about inflation.

Inflation, he proceeded, was the greatest divider of classes, the greatest means of provoking just when unity is needed most. He viewed it as setting creditors against debtors, farmers against city people, workmen against employers, and employers against workmen. The feeling that the value of money can easily evaporate as it does in time of inflation, he described as demoralizing to both housewife and breadwinner.

He referred to Germany as a country that had been impoverished in 1923 by inflation. While, of course, none of the supporters of currency expansion in Canada ever set out to have a great inflation the process would gather momentum until it go out of control.

Principal James, at the Empire Club, reviewed the outstanding periods of inflation in the world from the time of Solomon down through the French Revolution, the Germany of 1921 to 1923 and the United States of 1923 to 1929. These had invariably been followed by periods of depression. As instances of the possible results he stated that if it had not been for the United States inflation of 1923 to 1929, which made it possible to postpone a satisfactory settlement of the reparations question, Hitler might not have come to power. If Germany had avoided her own inflation there might have been none to support him. With the mark a laughing stock to the world how could men believe in national honor or have confidence in social justice when fortunes evaporated overnight.

Inflation he defined as all those monetary policies which usually, by an expansion in the supply of money, attempt to increase prices or keep them from falling in a time of declining costs of production. The desire comes from the fact that it gives some people more money while the rest have no more than before. While some will gain others will lose and the chief loosers will be the workers and the creditors. Wage and salary earning people will get little increases to meet the rise in prices and the creditor classes will receive in return a number of dollars which will buy less than the dollars they originally invested.

He stressed the fact that the great creditor institutions in Canada are the insurance companies, the savings banks, the educational institutions and the charitable organizations of which the funds have been invested in bonds. When losses are inflicted on these classes, he declared, it is the community at large that suffers.

Dose After Dose

Inflation to be effective, he stated, must be maintained. Dose must follow dose until the point is reached where people have no confidence in money.

The problem of financing a war he described as simply to find a practical means of abstracting from the total national income of goods and services sufficient to provide guns, shells and ships as well as food and clothes for its troops. Totalitarian governments would conscript wealth, but the democratic governments preferred to tax and to raise the rest by sale of bonds and war savings certificates. If the people were not interested enough to pay taxes and to lend, then only would inflation be justifiable. Canada had already had its initial dose of inflation to start it on the way to economic activity. There has been a 16% rise in the amount of money in Canada since 1938, and the wholesale price of goods has risen 15% with the cost of living about half of the latter figure. Having had the dose of inflation it was especially necessary not to increase the dose and develop the drug habit.

Lost—3750 Planes

(Continued from page 11)

etc. These departments have on tap detailed studies made all over the world on just such problems as face Canadian management today.

Adaptation of these facts to individual plants and processes has to be performed within the plant by time-study men and efficiency experts. The popular conception of the efficiency expert as a Simon Legree in horn-rimmed spectacles could not be wider of the mark. The job of these trouble shooters is to simplify processes, relieve pressure on workers by balancing production equipment and ensuring an even flow of material through the various phases of production.

Nipping the Bud

When it comes to the prevention of illness among workers early diagnosis, it is said, is the only effective method. To carry on effective preventive methods requires that the medical services of a plant be large enough to deal with general health questions as well as accidents and occupational illnesses.

Best method is to have an independent physician available to work in co-operation with the plant nurse. Where this system has been followed time losses through sickness have been reduced 25% to 75%. Results vary widely, depending among other factors on the degree of co-operation between workers and management. This general plan is now compulsory in British war plants.

In a Windsor automotive plant where the health of employees was already exceptionally good, a special nurse was employed to interview workers in the plant, and to follow up with visits to their homes to advise on the health of their families, diet, etc. Where necessary, the nurse would call in an independent physician who had agreed to devote part of his time to the service of the plant's employees. The nurse started her duties in October, 1937. Here is the sickness record:

Year	Employees	Days lost per man through sickness
1936	233	2.6
1937	256	2.8
(Nurse employed, Oct., 1937)		
1938	223	0.89
1939	214	0.81

The average time lost per worker after the change in health service was less than a third that of the preceding two years.

The New Workers

As war production intensifies, the health problems of industry are increasing. Programmes for training new workers give priority to wounded war veterans, war veterans, men over 40, women, and then men under 40 in that order. With some 200,000 of Canada's healthiest young workers in the armed forces, the new recruits to industry will be of a type progressively more susceptible to illness.

Under-nourishment and overwork are already bringing reports of an increased disease toll in Europe. There is a better than even chance that before the war is over Europe will be a vast pest-house, a greater threat to health and life than Hitler's armies. If the theory that Spanish influenza runs in 25-year cycles proves correct, the next year or two may see deaths from this cause running higher than those from bombs and bullets.

The only known defense against this, the most probable invasion, lies in building up the general health of the Dominion. Even this will be of little avail if the health of even a small section of the community is allowed to get below par and form a bridgehead for the invading bacteria.

Toronto Trading Down Again

Stock Exchange Values Show Decline — Brokers' Loans Up Slightly

Collateral borrowings of members of the Toronto Stock Exchange as of January 31, last, totalled $9 millions, an increase of $163,154 from the previous month but down $6 millions from a year ago. Borrowings have declined faster than have market values with the ratio of .21 of 1 per cent last month as compared with .24 of 1 per cent at the end of December and .33 of 1 per cent in Jan., 1940.

The volume of trading on the exchange in January totalled 7.4 million shares, down 255,319 from December and 3.2 million shares less than in Jan., 1940. Value of shares traded declined to $700,658 from December and $8.5 millions from a year ago. Quoted market value of all listed shares at the end of January was $3,815.4 millions, a decline of $102.7 millions from the end of December.

Of the various stock price indices prepared by The Toronto Exchange, only amusements, refining and distributing oils and gold prospects showed any gain in market value. Motor and allied industries were practically unchanged. Largest individual group decline was in utilities which were down $19.2 millions but on a percentage basis, both senior and junior gold made a less satisfactory showing with a drop of $25 millions in total.

Circulation Shows Seasonal Rise

Bank of Canada Notes Outstanding Up $3 Millions

The first increase in note circulation for some weeks is shown in the statement of the Bank of Canada for the week ended Feb. 5. The rise was $3 millions and is a seasonal movement except that it is starting a little earlier than usual.

Ordinarily toward the end of February when business begins to speed up preparatory to the spring rush, there is a greater demand for cash. But this year, owing to the general activity induced by the war the expansion in circulation has started earlier than usual.

Deposits of the chartered banks were higher. This increase was possibly partly to strengthen the cash reserves of the chartered banks with the Bank of Canada against larger public deposits with them and partly the proceeds of sterling and United States exchange sold to the Bank of Canada.

On the credit side, holdings of sterling and United States exchange were higher while long-term investments were lower.

	Feb. 5 1941 $	Jan. 29 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	345,253,698	342,248,838
Rest fund	2,449,757	2,449,756
Depos.: Dominion	27,617,572	27,004,169
Bank	229,535,363	218,761,288
Other	5,601,173	6,081,807
Total deposits	262,754,308	251,847,264
All other liabs	7,825,076	8,273,383
Total liabs.	653,284,838	609,819,241
Assets		
Reserve:		
In sterl. & U. S.	45,146,440	31,872,369
Subsidiary coin	857,308	855,602
Investments:		
Dom. gov. short	437,284,258	437,529,476
Other Dom. gov.	129,401,040	132,657,163
Total invest.	566,685,298	570,186,629
Premises	1,702,869	1,702,869
All other assets	8,392,724	5,201,772
	623,284,839	609,819,241

Weekly Bank Clearings

	Feb. 6 1941 $	Change yr. ago %	Jan. 30 1941 $
Halifax	3,070,702	—60.8	2,683,211
Saint John	2,539,211	—54.3	2,005,211
Moncton	843,327	—20.6	740,984
Sherbrooke	785,988	+ 9.6	697,821
Quebec	5,719,429	+14.4	4,052,942
Montreal	103,572,541	—38.1	83,079,962
Ottawa	69,370,223	+84.4	37,366,689
Kingston	745,028	— 3.1	537,837
Peterborough	677,345	+14.7	407,645
Toronto	137,493,969	—44.1	96,392,241
Hamilton	8,459,339	+16.4	5,196,948
Kitchener	1,186,791	—12.9	908,844
Brantford	1,026,814	—26.6	819,536
Chatham	692,883	—0.3	483,065
London	2,813,421	—32.8	2,039,852
Windsor	3,198,068	+10.4	3,395,931
Sarnia	460,733	— 8.9	318,527
Sudbury	952,968	+ 7.4	1,009,289
Fort William	980,423	+15.5	659,071
Winnipeg	34,659,695	—37.7	28,242,111
Brandon	368,234	+ 8.0	278,976
Regina	3,850,518	— 4.9	3,136,217
Moose Jaw	578,321	— 1.8	412,375
Saskatoon	1,516,626	+ 4.2	1,032,646
Prince Albert	433,657	+27.0	314,207
Edmonton	4,584,446	+ 4.2	3,648,032
Lethbridge	560,765	+ 9.2	432,591
Medicine Hat	255,255	+24.1	224,766
N. W'minster	666,815	—20.1	676,627
Vancouver	19,754,027	—38.0	15,601,967
Victoria	1,968,098	—10.3	1,587,243
Calgary	7,350,748	—13.5	4,987,377

Tamblyn Ltd. Profits $132,513 in 1940

Net profits of G. Tamblyn Ltd. for the year ended Dec. 31, 1940, were $132,513 compared with $122,753 for 1939. In the item on the company appearing in the Feb. 8, 1941, issue of The Financial Post, figures for the two years were transposed, all other figures being correctly shown. Earnings per common share amounted to $1.05 in 1940, compared with 96 cents in 1939.

United States Fidelity & Guaranty Company TORONTO

A Step Forward

The following statement records another step forward in the progress of The Northern Life

Balance Sheet, December 31, 1940

ASSETS

Real Estate	$ 598,715.08
Mortgages and Agreements of Sale	3,995,180.04
Loans on Policies	1,573,529.88
Bonds and Debentures	3,971,895.70
Stocks owned	661,561.92
Amounts on deposit with Trust Companies	184,885.91
Cash at Home and Branch Offices	2,295.00
Cash in Banks	356,220.91
Interest and Rents due and accrued	174,330.17
Net Premiums due and deferred	195,561.72
	$11,714,176.33

LIABILITIES

Policy Reserve	$ 9,753,425.06
Outstanding Claims Awaiting Proof	29,064.57
Reserve for Unreported Claims	10,000.00
Amounts Left on Deposit	997,498.60
Guaranteed Dividends on Outstanding Premiums	15,876.29
Reserve for Accrued Deferred Dividends	75,637.80
Taxes Due and Accrued	27,403.00
Reserve to cover Exchange on Foreign Currency	7,106.46
Other Liabilities	44,990.54
Investment Reserve	248,179.04
Capital Stock	250,000.00
Surplus	254,994.97
	$11,714,176.33

- Business in force Dec. 31, 1940 — $52,000,000
- Increase in business in force — 2,000,000
- Total Income - - - - 2,024,200
- Total amount paid during 1940 to beneficiaries and policyholders — 1,003,980

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Northern Life Assurance Company of Canada

R. G. IVEY, K.C., President G. W. GEDDES, General Manager

Established 1897 Home Office: London, Canada

GENERAL AMERICA COMPANIES

ANNUAL STATEMENTS
December 31, 1940

CANADIAN HEAD OFFICE
VANCOUVER, B.C.

H. K. DENT
President, Seattle

ASSETS	General Insurance Company of America	**Combined General and First National	General Casualty Company of America
Cash in Banks and on Hand	$ 2,453,880.73	$ 2,711,699.28	$ 781,958.89
*Government Bonds	4,586,264.47	5,299,506.82	2,086,638.07
*Other Bonds and Warrants	2,937,360.89	3,060,804.60	1,990,261.83
*Stocks	5,543,764.00	5,726,064.00	799,496.00
Mortgage Loans	176,109.30	176,109.30	....
Real Estate	184,183.43	184,183.43	....
Premiums in Process of Collection	1,179,562.89	1,342,250.69	806,938.27
Accrued Interest and Rents	58,066.23	62,755.88	32,293.66
Other Admitted Assets	80,101.19	80,101.19	....
Total	$17,199,293.13	$18,643,475.19	$ 6,497,586.72
LIABILITIES			
Reserve of Unearned Premiums	$ 8,047,793.17	$ 8,583,085.65	$ 2,468,095.45
Provision for Unpaid Claims	656,325.81	691,019.94	1,772,419.19
Provision for Commissions, Taxes and Expense	613,521.01	667,667.92	252,634.83
Funds Held Under Reinsurance Treaties	192,813.48	192,813.48	34,976.06
Provision for Dividends to Policyholders	392,761.97	393,761.97	....
Capital	1,000,000.00	1,500,000.00	1,000,000.00
General Voluntary Reserve	765,000.00	765,000.00	120,000.00
Net Surplus	5,531,077.69	5,850,126.23	849,461.19
Total	$17,199,293.13	$18,643,475.19	$ 6,497,586.72
Policyholders' Surplus	$ 7,296,077.69	$ 8,115,126.23	$ 1,969,461.19

* Bonds shown at Amortized or Investment Values, Stocks at values approved by National Convention of Insurance Commissioners and by Association of Superintendents of Insurance of the Provinces of Canada.

On basis of December 31, 1940, market quotations for all bonds and stocks owned, the

General Insurance Company's total Admitted Assets would be increased to $17,560,679.98 and policyholders' surplus to $7,657,464.54; Combined First National & General Admitted Assets would be increased to $19,051,825.98 and policyholders' surplus to $8,523,477.02; General Casualty Company's Admitted Assets would be increased to $6,690,954.82 and policyholders' surplus to $2,662,829.29.

**Excerpt from Reinsurance Agreement

By and between First National Insurance Company of America and General Insurance Company of America:—

"The GENERAL does hereby agree to reinsure simultaneously with commencement of liability thereunder all liability under all policies of the FIRST NATIONAL written in the Dominion of Canada, and the GENERAL hereby agrees that policies of the FIRST NATIONAL reinsured under this agreement may be indorsed thereon to indicate that all liability thereunder is reinsured and guaranteed by the GENERAL, and the GENERAL further agrees that liability thus reinsured by it shall be considered as full and direct liability of the GENERAL, as if its own policies had been issued instead of policies of the FIRST NATIONAL."

Note: Deposits are maintained with the Receiver General of Canada, at Ottawa for the exclusive protection of Canadian policyholders in the sum of $752,000.00.

Week in Mining

Mining Market in Grip Of War Tenseness

Investors Now on Sidelines Pursuing a Wait and See Policy — Further Declines Might Bring in Considerable Investment Buying

After slumping sharply early in the week, mining markets were left pretty much in the grip of developments abroad. All indications are that the international situation and tenseness resulting from it will be the key factor in determining the trend of the market for the next few weeks at least. European developments now overshadow news from individual properties in determining what investors will pay for stock, and domestic factors generally.

Most investors are now on the sidelines following a "wait and see" policy. As it has been expressed recently, "prices are not high enough to sell and not low enough to buy." With international situation clarified, investors would be willing to take on commitments at present prices but, as it is, there is no inducement. However, any further fall of mine share prices might bring considerable investment buying into the market.

Fears that Hitler had started to smash into the Balkans, or was getting ready to do so, brought considerable selling into the mining market early this week. Selling was general, included both base metal gold and specialty stocks, and spread right across the board. Lower prices continued the downward trend of the past several weeks

Stocks which had been favorites in the last rise, such as Kerr-Addison, Upper Canada, Preston East Dome and Broulan Porcupine, showed noticeable weakness.

Market Hits Deals

One of the first results of a poor market is its effect on completion of new mining deals. If deals can still be completed, terms often are not nearly as good as had been hoped for.

A bad market early in the year makes money for grubstaking prospectors hard to obtain. This makes some Government action to encourage prospecting all the more in demand.

Several new fields were disclosed last year and there are undoubtedly men who wish to give these fields a more thorough combing over than was possible last year, if the money is forthcoming. Others will probably want to spread out in the relatively unexplored areas where chances of finding a Lake Shore or Noranda may seem better.

• • •

Early Success

It is not likely that any farmer in Canada has "struck it rich" like one in the Southern Cross area of West Australia.

After 17 years of unsuccessful farming, a farmer by the name of John C. Symes had an unusual stroke of luck early this month. While working at the back-breaking job of turning up new ground, his plow unexpectedly uncovered part of a once-rich gold reef.

Since discovering the vein, Symes is stated to have taken out £1,500 ($5,370 worth) of gold. Father of 11 children, Symes hopes to be able to give up farming soon. Although the Southern Cross area of West Australia was once a rich gold field, this represents the first discovery of gold there for years.

Probably the only parallel to the Australian discovery in Canadian experience was finding of gold by eastern Ontario farmers several years ago. In this case, however, mining operations have not yet been successful although one mine—Cordova—produced for a time.

• • •

Use of Barite

With Springer Sturgeon Gold Mines preparing to place a mill of 100 tons capacity of its new barite property in Nova Scotia, public attention has been drawn to what is a new mineral development for Canada.

Until Springer Sturgeon made its discovery, many people had not even heard of barite; few knew what the use of the mineral was. Barite is used chiefly in drilling oil wells.

Not every type of oil well requires barite for drilling but in some cases its use gives certain advantages while in other cases it is a necessity. Oil fields in Trinidad are the largest users and that is where Springer Sturgeon will market its product.

It is understood that the chief value of barite is in "weighting" drilling mud where structure tends to cave in drilling operations. High specific gravity, softness and non-settling qualities make barite better than other products for fixing the drilling mud, it is stated.

Ontario Hydro Reaches New Peaks in Sales

Total consumption of energy from all systems of the Hydro-Electric Power Commission of Ontario for primary purposes was up 19% in 1940. This was "by far the highest consumption of primary energy delivered by the Commission in any year," J. Albert Smith, a member of the Ontario Hydro-Electric Power Commission told the Ontario Municipal Electric Association.

He mentioned that rate of increase in peak load, which was about 14%, or slightly more than 200,000 h.p., for the 11 months of the fiscal year up to September last, increased only between 6 and 7% in the last three months of 1940.

Daylight Saving Helps

"In so far as the large Niagara system was concerned, this reduction in trend of loads since September was largely attributable to the effect of daylight saving time being continued in many municipalities, by order of the Dominion Power Controller," says Mr. Smith. He estimates that the reduction in peak load attributable to this cause during the winter was from 65,000 to 85,000 h.p.

Mr. Smith pointed out that the Hydro Commission has been appointed power controller for Ontario and was directing use of the province's power resources to the greatest advantage.

Rationing Danger Passes

He emphasized that "the commission has ample, though not excessive, supplies of power available to meet all essential war demands and the immediate normal growth in domestic, commercial and ordinary industrial use." He went on to mention that certain economies in consumption can be affected but emphasized that "it is at present unnecessary to ration primary power for industrial purposes, or indeed to restrict its use in any way in Ontario."

Passing of the winter's peak demand means "it is unlikely that any necessity for rationing will arise until next winter, if then." The wide powers granted to the commission as a power controller are intended to "ensure that all available developed power resources shall be used to maximum advantage in connection with Canada's war effort."

The Commission's engineering staff handled a larger volume of work than ever before in its history in 1940.

Pushing Construction

Construction work and added power resources were installed last year at several centres. Unit No. 3 of the Ear Falls plant of the Northern Ontario system was completed in June, 1940, adding 7,500 h.p. bringing total installed capacity of this development to 17,500 h.p.

Construction is being rushed on the Big Eddy plant on the Musquash River in the Georgian Bay system. This plant, which contains two 5,000 h.p. units, is expected to come into operation in Nov., 1941. A frequency-changer station was installed at Hanover in the Georgian Bay system as an additional cry for the exchange of power between Niagara and Georgian Bay systems.

In eastern Ontario construction is also being pushed at the Barrett Chute Development on the Madawaska River. The two units with a total rate of capacity of 54,000 h.p. are expected to be available for service in 1942.

Construction of the new 220,000-volt transmission line from the Quebec border to Burlington, a total distance of 320 miles, is well under way. All the powers and footings as far as Toronto have been erected and 175 miles of wire strung.

Advance Maclaren Contract

To help meet growing demands for power in the Niagara system, the Commission last year advanced the date of taking 20,000 h.p. from the Maclaren-Quebec Power Co. from November to July. Mr. Smith states that other possibilities of increasing power supplies are also being examined.

"Because of the friendly co-operation extended by the United States to the Dominion of Canada, Ontario last November was able to use an additional 5,000 second feet at Niagara Falls to increase our power output for war purposes. This additional flow of water is equivalent to that which will be added to the Great Lakes output when the diversion works are being completed," said Mr. Smith. He referred to the Long Lake, or Ogoki, project which is now diverting some 1,100 cu. ft. of water per second to the Great Lakes.

About two years will be necessary to complete the Ogoki project. In the meantime the Commission is utilizing the equivalent amount of water at Niagara to produce energy in existing plants equivalent to about 65,000 h.p.

Revenues Up

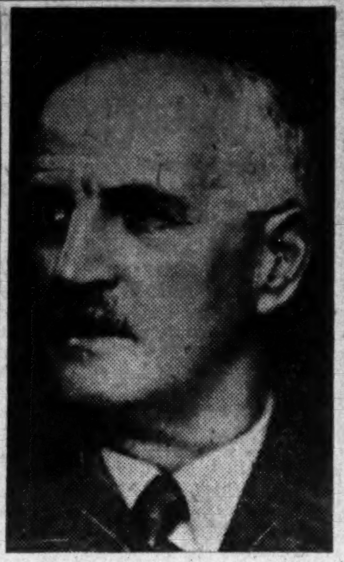
Regarding the financial record of operations for the year ended October last, Mr. Smith states "notwithstanding the maintenance of low rates for hydro service, there has been a satisfactory increase in revenue. Full customary reserves for renewals and sinking fund have been provided by the commission and there will be a substantial balance set aside for reserves for contingencies and for stabilization of rates."

He emphasized that the commission's policy was going to continue to be one of conserving increased assets resulting from increased distribution of power for war purposes "in order to build up reserves and finances capital expenditures as far as possible through the commission's own resources."

Montreal Stock Sales Higher For January

From Our Own Correspondent

MONTREAL.—Value of transactions on the Montreal Stock Exchange and Montreal Curb Market during January totalled $5,351,242. This represents an increase of $680,623 from the previous month's total.



HEADS ENGINEERS

Dean C. J. Mackenzie, acting president of the National Research Council, Ottawa, who took office as new president of the Engineering Institute of Canada at that body's convention in Hamilton last week. He succeeds Dr. T. H. Hogg, chairman of the Ontario Hydro-Electric Power Commission. A native of New Brunswick, he has been Dean of Engineering at the University of Saskatchewan for some years.

More High Grade At Gold Frontier

Drifting at Second Level Shows Visible Gold For 30 Feet

High grade ore has been encountered in recent work at the second or 230-ft. level of Gold Frontier Mines, operating in the Red Lake area, it is reported.

The last 30 ft. of drifting completed at the 230-ft. level is stated to have exposed visible gold in every round with widths up to 4 ft. Samples received in Toronto show a considerable amount of gold in a very dark quartz. Assays are expected shortly.

A drill hole put out to look for the extension west of the west ore body on the first or 125-ft. level has intersected 20 ft. running ounces per ton, it is stated, after being put out some 30 ft. This ore shoot had previously been opened up by drifting for 90 ft. grading a half ounce per ton over drift width.

Gold Frontier Mines took over the property of Frontier Red Lake Gold Mines.

Mene Grande Output Up in December

Production of Mene Grande Oil Co. in Venezuela totalled 3.6 million barrels in Dec., 1940, compared with 3.4 million barrels in November. International Petroleum Co. has a one-quarter share in Mene Grande's oil output.

Mene Grande Oil Co. has become the largest individual producing company in Venezuela, partly through its position as operator of the Oficina field, considered Venezuela's largest reserve of high-gravity oil.

Exports by Mene Grande in December totalled 3.1 million barrels compared with 3.3 million in November.

Porcupine Work Strives To Fill in North Gap

Mine exploration under way or projected may go far to filling in the big gap in Porcupine between the main producing central sector which includes the Hollinger, Dome and McIntyre mines and the northeast belt where Hallnor, Pamour Porcupine, Broulan Porcupine and the new producer, Hoyle, are located.

This stretch of ground, about three miles in length, has been tested before but it is thought that, in the light of new developments in the general area a new testing of possibilities is warranted. The northeast sector itself lay dormant for many years until success as Pamour brought investigation of surrounding properties, with three other producers added since.

Ventures' New Deal

The newest mine-making endeavor is that of Ventures on the Porcupine Lake ground. Ore shoots were opened up there in previous work, some production was obtained in a small mill, but possibilities were never fully tested because of insufficient working capital. With Ventures in charges, however, it appears that real potentialities of the property will get a more thorough testing.

Following drilling which outlined two ore zones and indicated a possible third, Bonetal Gold Mines decided to sink a shaft which is expected to be completed about next April. The company's ore zones extend westerly from the company's boundary with Hallnor Mines.

Some drilling has been done recently on the property of Porcupine Reef Gold Mines but no information has come out on results of this work.

Ram River Shows Oil at 2,500 Ft.

Best Possibilities Expected at 2,800 and 3,000-ft. Depth

Drilling on the Ram River structure in Alberta by Ram River Oils reached a depth of 2,501 ft. on Feb. 4 with further showings of oil from 2,422 to 2,488 ft. depth, it is reported. Oil showings are stated to be green in color and good quality.

Drilling of the well is in the Devonian formation which requires deep drilling to test in many areas. Best possibilities for getting commercial production on the Ram River area are believed to lie at depths of 2,800 and 3,000 ft.

Drilling Funds Available

On Feb. 4, drilling operations were temporarily suspended to allow adjustment of equipment. Sufficient finances are stated to be on hand to carry the well to completion.

Altogether Ram River Oils has 3,638 acres of land in four blocks on the Ram River structure. Clifton C. Cross & Co. and Anglo-Canadian Oil Co. are others reported to be interested in acreage on this structure.

Partanen Deal Gets Approval

At a special meeting of shareholders of Partanen Malartic Gold Mines, approval was given recently for a deal with H. A. Guess, president of American Smelting & Refining Co., to allow development of the company's property.

Financing will be carried out through an option on a 70% interest in the 30,000-share capital of the company's subsidiary Parbec Gold Mines over a period of nine months during which $7,500 must be spent every three months on development.

After nine months Mr. Guess must develop the property within two years by shaft and lateral work to a depth of at least 300 ft. A mill of 300 tons capacity must be installed to retain control.

Profits at Aunor Likely Greater

While no statement has been issued on earnings of Aunor Gold Mines for the six months ended Dec. 31, 1940, production figures issued by the Ontario Department of Mines suggest a sharp increase in earnings over the previous half year—the initial period of production.

Output the last half of 1940 totalled $867,435 from 75,555 tons of ore compared with $501,923 recovered from 51,556 tons of ore the first half of the year. Earnings the first six months of 1940 were equal to 5.6 cents a share. Costs probably did not rise anything like the increase in the value of output the last half of 1940, which amounted to $365,512 or over 18 cents a share. Even if costs increased 20% the second half of 1940, profits would be running in the neighborhood of 40 cents a share per annum based on second half production.

Brown Oil Debentures Listed on Toronto

Debentures of Brown Oil Corp. were called for trading on the Toronto Stock Exchange on Feb. 10, with ticker abbreviation BRWD. At the same time, the company's preferred shares were removed from trading.

Debentures totalling $378,000, are being issued in denominations of $90, $450 and $900. Upon issuance, payment of $2.46 is being made on each $90 principal amount in respect of interest to Jan. 1, 1941.

Debentures carry interest at the rate of 4½% per annum payable half-yearly. They are redeemable by purchase on the open market, and, commencing Jan. 1, 1944, a retirement fund is to be set up.

CANADA WIRE SUBSIDIARY

Allied Brass Ltd. has been formed as a subsidiary of Canada Wire & Cable Co. to operate the government-owned plant in Montreal East manufacturing brass and brass products. The plant has been erected at government expense and Canada Wire is managing it on a fee basis, it is said.

Howe Sound Net Lower

Earnings Equal $3.63 a Share Against $5.25 for Preceding Year

With the company's sales of lead and zinc drastically reduced from the preceding year, earnings of Howe Sound Co. declined to $3.63 a share in 1940 compared with $5.25 a share for 1939. Demand for zinc concentrates experienced a sharp drop due to lack of zinc smelting capacity and the demand for refined lead was stated to be slack due to the cutting off of some of the company's normal markets.

Sales of copper last year, however, touched a new peak at 58,713,033 lb. against 56,190,579 lb. the previous year, but sales of lead dropped from 110,544,511 lb. to 24,038,979 lb. and zinc sales fell from 89,163,077 lb. to 24,408,488 lb. Gold and silver production showed no great change, amounting to 73,609 oz. for gold and 3,098,723 oz. for silver. Due to restricted demand for lead and zinc, Mexican operations were curtailed 35% at the end of 1940.

At Howe Sound's Britannia mine, in British Columbia, a shortage of skilled labor developed and it became necessary to reduce the scale of operations on Nov. 1 in order to allow the carrying out of essential exploratory work. A pilot shaft is now being sunk below 4,100 adit which will be followed by a larger shaft when sufficient information is available.

At the company's Chelan mine, a new ball mill was placed in operation in November. Exploration is stated to have produced favorable results both in extending known ore bodies and in finding new zones of mineralization.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating revenue	11,614,305	16,745,821
Less: Oper. exps.	8,014,878	11,662,650
Net oper. earns.	3,599,427	5,083,171
Add: Other income	34,165	11,339
Total net earnings	3,633,592	5,094,510
Less: Depreciation	822,344	812,849
Taxes	1,086,979	1,790,252
Net profit	1,724,269	2,491,409
Less: Dividends	1,782,341	1,896,414
Surplus for year	*58,072	594,995
Add: Prev. surplus	16,895,250	16,311,835
Add: Adjusts.	12,810	719
Less: Adjusts.	......	12,299
Surplus forward	16,849,988	16,895,250

*Deficit.

Earnings Per Share and Dividend Record:

	1940	1939
Earned	$3.63	$5.25
Paid	3.75	4.00

Working Capital

	1940	1939
Current assets	9,482,227	8,616,174
Current liabilities	1,470,640	1,386,743
Working capital	8,011,587	7,229,431

Montreal Stock Loans Reach New Low Level

From Our Own Correspondent

MONTREAL.—Collateral borrowings of member firms of the Montreal Stock Exchange set a new low record at Jan. 31, 1941, amounting to only $5,376,785. This figure represents a decline of $305,819 from the previous month's total and is the lowest since compilation of the loans was started in 1931. The previous low was established in Sept., 1940, when loans amounted to $5,483,987. On Jan. 31 a year ago loans totalled $7,238,241.

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Week in Oils

From Our Own Correspondent

CALGARY.—The Princess-Steveville area—brought into limelight about six weeks ago by successful completion of Standard Oil-Princess No. 2 well as a commercial crude oil producer—will see activity this spring rivalling that in Canada's No. 1 oilfield, Turner Valley, and the promising Vermilion area.

Getting the new Princess-Steveville programme off to a flying start this week were announcements that:

1. Standard of British Columbia had spudded in Princess No. 3 well, was busy staking several more new locations, and would probably keep at least two rigs going steadily.
2. Steveville Oil Co., the new company formed to take over and develop more than 60,000 acres owned jointly by Anglo Canadian Oil Co. and Petroleum Investments Ltd., has selected its first well site and is starting work at once.
3. Anaconda Oil Co., in association with the Patricia Syndicate, has selected a new well site and is starting work.
4. McDougall-Segur Exploration Company has acquired a section of leases a short distance from the Standard Oil discovery well and is drafting plans for a development programme.

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New Well Details

Standard Oil spudded in its Princess No. 3 well early this week at a location in L.S.D. 5 13-20-12w4, just over a quarter of a mile northwest of the discovery producer. Completion in the Madison limestone between 3,300 and 3,400 ft. is expected by the end of March. Dominion Drilling Co., which drilled Princess No. 2, is in charge of operations at the new test.

Meanwhile, Standard's geologists are busy selecting a number of new well sites in the Princess area, to be drilled as soon as rigs are available. Unofficially, it is understood that at least one more rotary rig will be brought in for use in this area. Standard's drilling programme will consist of a series of offsets branching out from the discovery producer, gradually extending the productive area and developing a "productive potential" to warrant long-term arrangements for marketing of the Princess-Steveville crude oil.

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First Site

The Steveville Oil Co. has selected its first well-site in L.S.D. 5 18-20-11w4, three-quarters of a mile east and north of the Princess No. 2 producer. Work is starting immediately, using the Diesel-powered rotary rig used to drill the Anglo-Canadian gas-wells in this area in 1939-40. Anglo-Canadian's subsidiary, Drilling Contractors Ltd., will have charge of operations.

The new Steveville Oil Co. is capitalized at 2,000,000 shares of no par value. Under a plan approved by Anglo-Canadian and Petroleum Investments last week, one share in the new company is being issued for each dollar expended to date on the five-structure programme undertaken by the two companies in 1939 and 1940.

Under the plan Anglo-Canadian is receiving 425,000 shares, while Petroleum Investments shareholders are receiving a total of 270,000 shares, or three shares of Steveville Oil for each share of Petroleum Investments now held. To finance the new development programme on the extensive Princess holdings, shareholders are being offered 140,000 shares of Steveville Oil at 75 cents per share, raising issued capital of the new company to 835,000 shares.

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Anaconda Location

The new Anaconda-Patricia No. 1 location is in L.S.D. 9 31-20-12w4, just over five miles northwest of the Princess producer. It is to be financed jointly by Anaconda Oils and the Patricia Syndicate. Road and weather conditions permitting, it will be spudded in within three weeks. A light rotary rig will be used. In addition to its share in any net production resulting from its share in cost of the well, Anaconda will receive a 10% gross royalty.

The McDougall-Segur Exploration Co. has acquired all of Section 3-20-12w4 from the Mount Royal and Tide Lake Syndicate and is now drafting plans for a development programme. The acreage lies within two miles south and west of the Princess No. 2 producer.

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Test Devonian

After encountering favorable showings of water-free 36.5 gravity crude oil in the top 20 ft. of Madison limestone, the Northwest-West No. 1 well drilled into water, according to word received this week. As a result it has been decided to carry drilling to the Devonian limestone, the top of which is looked for about 1,500 ft. below the Madison contact. Early this week drilling was proceeding below 6,578 ft., 458 ft. in the Madison.

The water showed up in drill-stem tests made 85 and 150 feet in the Madison. This is disappointing, but Northwest apparently considers the outlook for the Devonian sufficiently promising to continue drilling. After completion, it is likely that a thorough test will be made of the water-free top of the Madison. There is reason to believe a small producer might be developed from this horizon.

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New Okalta Well Drilling

Central west flank test Okalta Oils No. 11 joined the ranks of the Turner Valley drilling wells last week, and is now making hole below 600 ft. The well is in L.S.D. 10 24-19-3w5. Okalta Oils holds a 90% net interest in the well, only royalty payable being 10% gross to the Alberta Government.

Company Reports

Sterling Trusts

Higher earnings and increases in capital and guaranteed trust accounts, as compared with 1939, are shown in the annual statement of the Sterling Trusts Corp. for the year ended Dec. 31, 1940.

Earnings from operations were up some $1,000 to $41,247 in 1940, but a rise in taxes from $4,734 in 1939 to $12,551 in 1940 resulted in a decline in net profits to $26,363 from $33,173 in the previous year. As in 1939, the company contributed $1,000 to its employee retirement fund.

Guaranteed trust account, consisting of guaranteed trust certificates and deposits, showed an increase of about $1,000 against which the increase in securing assets amounted to over $5,000.

Earnings Record

Year	Paid-up Capital & Reserves	Net Profit*	Div. Rate	†Rate Earned per sh.
	$	$	$	$
1936	815,085	22,550	1	2.85
1937	815,116	24,938	2	3.16
1938	840,200	29,179	2½	3.69
1939	850,000	33,173	3	4.17
1940	852,800	26,363	3	3.29

*After all charges, including depreciation and income taxes. Before transfer of $1,000 to employees' retirement fund in 1940 and 1939.

†Based on average amount of paid-up capital outstanding in each year.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Guar. trust certificates	1,920,644	1,871,934
Deposits	306,240	353,831
	2,226,884	2,225,765
Secured by:		
Liquid assets	376,472	411,599
Mortgages & int.	1,850,412	1,814,166
Other net assets‡	881,241	877,161
	3,108,125	3,102,926
Estates, etc.	5,918,283	6,430,382

‡Consisting of capital account liquid and other assets, less current liabilities.

Burlington Steel

An increase of approximately 40% in sales more than offset the rise of over $63,000 in taxes paid by Burlington Steel Co. in 1940 as compared with 1939. Despite a decline in the general selling price of the company's steel products of nearly 6% since 1938, profits for 1940 after all charges amounted to 93 cents per share compared with 79 cents in 1939.

H. J. Stambaugh, president of the company, states that the large demand experienced in 1940 has continued during January and February of the current year, with an increasingly important portion of the company's output being diverted to war uses. Expansion of the defense programme indicates that the plant will be fully employed for some time to come, according to Mr. Stambaugh.

Working capital increased some $62,000 as a result of 1940 operations, the most marked change being in inventories, which advanced approximately $69,000.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	264,540	181,238
Add: Invest. income	3,174	3,126
Gross profit	267,714	184,364
Less: Depreciation	42,000	42,000
Income taxes	59,000	31,628
Excess prof. taxes	36,000	......
Net profit	130,714	110,736
Less: Dividends	84,000	84,000
Surplus for year	46,714	26,736
Add: Prev. surplus	367,824	341,088
Less: Prior yr. taxes	7,730	......
Surplus forward	406,808	367,824
Earned per Share	$0.93	$0.79
Paid	0.60	0.60
Shares o/s, n.p.v.	140,000	140,000

Working Capital

	1940	1939
	$	$
Current assets	1,171,264	1,097,371
Current liabilities	236,713	224,827
Working capital	934,551	872,544

City & District

Montreal City and District Savings Bank reports net profit of $391,852 in 1940, compared with $395,339 in the preceding year. This was equal to earnings on the common stock of $19.59 in 1940 and $19.77 in 1939.

This relatively small decline in net profit was shown despite a considerable increase in taxation. Net profit in 1939 was the largest in the company's history.

Liquid assets of the company represent about 107% of the bank's liabilities to the public. Assets at the end of 1940 totalled $70 millions, compared with $75.8 millions in 1939. Cash at the end of 1940 declined to $7.8 millions from $9.9 millions at the end of 1939; Dominion and provincial securities to $36.2 millions from $39 millions; municipal securities to $16.1 millions from $16.7 millions; secured loans to $3.3 millions from $3.5 millions. Interest-bearing deposits declined to $62 millions from $66.7 millions; while non-interest-bearing deposits dropped to $1.3 million from $2.4 millions.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Net profit	391,852	395,339
Less: Dividends	240,000	240,000
Bonus	40,000	40,000
Surplus for year	111,852	115,339
Add: Prev. surplus	251,610	146,171
Less: Donations	12,000	9,900
Surplus forward	351,462	251,610

Capital Trust

Resumption of dividend payments with the disbursement of $1 per share on March 1, 1941, is announced in the annual report for 1940 of the Capital Trust Corp., Ottawa. The forthcoming payment will be the first distribution since 1937.

Profits for 1940, before certain transfers and reserves, were $47,131 as compared with $44,445 in 1939. During the year western government securities and other assets were written down to realizable values. As a result the total of general, contingent and real estate reserves reached $341,142 at the end of 1940.

Earnings Record

Year	Paid-up capital & reserves	Net* profit	Div. rate	Rate† earned per sh.
	$	$	%	%
1936	1,094,676	48,187	3	5.45
1937	1,095,178	50,176	3	5.67
1938	1,145,178	42,104	nil	4.76
1939	1,170,178	44,445	nil	5.02
1940	1,172,178	47,131	nil	5.32

†Based on account of paid-in capital stock.

*After deducting taxes and write-off of furniture and fixtures, (no taxes reported for 1940), but before amounts written off other assets, western government bonds, transfers to contingent reserves, general reserves, officers' pension fund, real estate reserve or reserve for depreciation.

Liabilities to Public
At Dec. 31

	1940	1939
	$	$
Trust certs. & int.	3,454,322	3,523,253
Deposits	1,853,678	1,768,935
	5,308,000	5,292,188
Secured by:		
Liquid assets	1,925,671	1,880,802
Mortgages & int.	3,382,329	3,411,386
Other net assets‡	1,058,748	1,068,802
	6,366,748	6,360,990
Estates, etc.	8,240,374	8,541,391

‡All liquid and other capital account assets, less current liabilities, contingent reserve and officers' pension fund.

Quebec R. L. & P. Co.

Quebec Railway, Light & Power Co., wholly owned subsidiary of Quebec Power Co., reports a gross revenue in 1940 of $1.5 million. This contrasts with $1.4 million the year before. After the operating expenses and taxes there was a net revenue of $129,015 which was transferred to reserve for depreciation and retirement. The year before there was a deficit of $96,562 after taxes and expenses.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross revenue	1,527,129	1,351,265
Less: Expenses	1,306,438	1,360,968
Taxes	43,644	42,262
% to city	48,031	44,597
Net revenue	*129,015	†96,562

*Transferred to depreciation.
†Deficit.

Working Capital

	1940	1939
	$	$
Current assets	204,051	116,985
Current liabilities	126,728	149,888
Working capital	77,323	*32,903

*Excess of current liabilities.

Quebec Power

Quebec Power Co. reports a gross income from all sources in 1940 of $3.5 millions, as against $3.3 millions in the previous year. Offsetting this gain, however, was an increase of more than 100% in the amount paid or reserve for taxes, which reduced net profits to $523,140, or 95 cents a share. In the previous year net profits totalled $627,704, or $1.13 a share.

The balance sheet position of the company at the end of the past year shows a strengthening of liquid position. Cash, call loans and company investments aggregated $1.1 million as against $722,884 at the close of the previous year. Property account reflects capital expenditures of $436,062. Advances to Quebec Railway, Light & Power Co. now stand at $307,275, a slight increase over that reported in 1939.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross revenue	3,519,365	3,306,469
Less: Oper. expenses	1,375,318	1,283,388
Taxes general	205,833	187,404
Net revenue	1,938,214	1,835,677
Less: Bond interest	502,074	506,973
Depreciation	450,000	450,000
Prov. profits tax	50,000	28,000
Fed. income tax	193,000	130,000
E. P. T. reserve	220,000	......
Cont. reserve	......	93,000
Net profit	523,140	627,704
Less: Dividends	553,198	553,198
Surplus for year	*30,058	74,506
Add: Prev. surplus†	288,524	229,896
Surplus forward	258,466	304,402
Earned per Share	$0.95	$1.13

*Deficit. †After adjustments.

Working Capital

	1940	1939
	$	$
Current assets	1,588,405	1,206,160
Current liabilities	1,060,239	604,486
Working capital	528,166	601,674

Eastern Canada Savings

Annual statement of Eastern Canada Savings & Loan Co. for the year ended Dec. 31, 1940, shows an increase of approximately $75,000 in debentures and deposits and a somewhat greater rise in securing assets. The rise in liquid assets was greater than in other sections, owing in part to the liquidation of some $50,000 of the company's real estate holdings. Mortgages were reduced by $98,000 and other assets were cut $63,000, the reduction in these items being compensated by a gain of over $236,000 in liquid assets.

Earnings for 1940 of $101,787 were slightly below the figure of $103,794 for 1939. The decline in net was more pronounced after deduction of taxes and depreciation, resulting in earnings per share of $7.15 against $7.50 in 1939.

Earnings Record

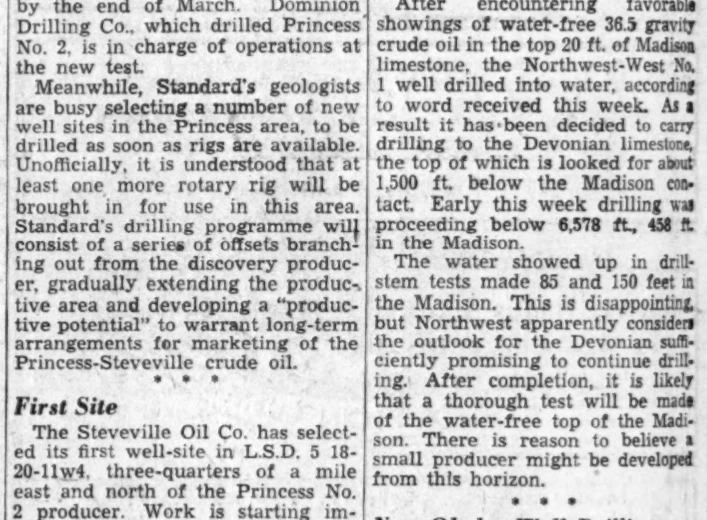
Year	Paid-up Capital & Reserves	†Net Profit	Div. Rate	Rate Earned per sh.
	$	$	$	$
1936	1,058,000	62,042	6+1*	8.27
1937	1,068,000	62,988	6+1*	8.40
1938	1,150,000	65,225	6+1*	8.70
1939	1,160,000	56,222	6+1*	7.50
1940	1,165,000	53,647	6+1*	7.15

*Special dividend of $1 paid in following year.

†After all charges including taxes and depreciation but before transfers to reserve fund.

Liabilities to Public
As at Dec. 31

	1940	1939
	$	$
Debentures	2,884,869	2,877,671
Deposits	724,072	656,552
	3,608,941	3,534,223
Secured by:		
Liquid assets	578,905	342,199
Mortgages	4,089,058	4,187,238
Other net assets	106,371	169,031
	4,774,334	4,698,468



SYMBOLS OF SECURITY

1940 ANOTHER YEAR OF SOUND PROGRESS

Insurance in Force Increased to $38,682,622
Assets Increased to - - - 10,131,642
Policy Reserves Increased to 9,196,409
New Insurance Paid For and Revived - - - - - - - 4,225,391
Total Income - - - - - 1,555,643
Payments to Living Policy-holders and Beneficiaries 747,009

Policyholders have the additional protection of $602,066 in Paid-up Capital and Surplus

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President

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General Manager

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1506 Northern Ontario Bldg., 330 Bay St., Toronto, Ont.

Canadian Crude Takes Wings

Turner Crude Finds Place In Supplying Aviation Gas

By HAROLD H. HILLIARD
Staff Writer, The Financial Post

By next year the annual demands on aviation gasoline in Canada may be equal to the amount needed for 1,000 bombers to make 200 round trips between London and Berlin. In 1939, all civil aircraft in the Dominion used fuel equivalent only to the amount used for about 12 to 15 trips.

The expected 20-fold increase in plane fuel demand in less than three years is due almost wholly to the British Commonwealth Air Training Plan. The demand already has multiplied since the university of the air was launched.

For example, one of the big refiners, Imperial Oil Co., sold twice as much plane fuel last year as in 1939. Other companies are said to have had much the same experience.

Makes Turner Output Jump

Increased demand is reflected, also, in the substantial jump in production of Turner Valley, requested by Oil Controller G. R. Cottrelle for "war emergency" use. Early winter allowable figure of 22,000 bbls. daily was increased to 25,000 bbls. in the middle of January and then to virtual capacity for the field of 26,000 bbls. the first of February. Allowable January production of 738,225 bbls. was 57% higher than in the same month of 1939.

The market will expand by further leaps and bounds during the next six months to a year. The air schools are to be at peak by September next, according to former Deputy Air Minister J. S. Duncan.

What A Pilot Takes

What this will mean in terms of gasoline is explained by the fact that a fledgling pilot starts with a machine which burns 7 to 10 gallons an hour, then is shifted to one eating up around 50 gallons. The student averages about 300 hours of training, so military men suggest about 4,000 to 6,000 gallons of fuel are needed per aviator trained.

For the whole Air Training plan next year it is estimated that at least 50 million gallons of aviation gasoline will be required and possibly considerably more. Added to this will be the jumping demand of Trans-Canada and other commercial air lines.

Civil Consumption Small

All this compares with the relatively insignificant amount of 3.3 million gallons burned in 1939 by all Canadian civil planes—T. C. A., the north country and other commercial companies and flying clubs. (The latter are now pretty well consolidated with the Air Training Plan. Added to this were the comparatively small prewar requirements of the R. C. A. F., figures for which are not available.

This big new business has wide implications. Immediately affected are the refining companies, which extract from crude oil the powerful airplane fluid. Affected also are the producers, who must find suitable types of crude.

Probably motorists will also feel it for the Training Plan demand may be a danger signal that gas rationing in Canada has moved one step closer. Should the need for fuel exceed the supply, and car drivers begin to compete with pilots and army truck drivers, there can be no choice —the defense need must necessarily take precedence.

There is no question of supplies drying up, as there is enough petroleum in the United States and South America to provide Canada's war needs many times over. But while the demands on crude increase, the means to pay for it grow less. Hehce the growing importance of Turner Valley and other Canadian producing areas.

Foreign Exchange the Factor

More non-Empire currency is needed to meet the bills for Canada's annual imports of nearly $50 millions of crude oil than for any other commodity. Any step-up in petroleum demand increases the pressure to restrict its use. Already Ottawa appears to be overdrawing its stock of U. S. dollars, while the supply of Colombian pesos and Venezuelan bolivars is relatively small.

To maintain uninterrupted fuel supplies for the Air Training Plan has become the No. 1 challenge of 1941 for the refiners. The problem is primarily a processing one, as different equipment is used than for car fuel.

Many New Refineries

Before the war, only three or four Canadian refineries produced airplane gas, but already they have multiplied, mushroom like, and half a dozen or more new ones have blossomed forth. Now three of the major companies, Imperial Oil, British American Oil and McColl-Frontenac, send a steady stream of the liquid flowing from Ioco, B.C., Winnipeg, Sarnia, Toronto, Montreal and Halifax to training schools everywhere in Canada.

A unique 1940 development was installation of aviation gas equipment in two Calgary plants, one each for Imperial Oil and B. A. Oil. Production of plane fuel from Turner Valley petroleum was launched a few months ago, marking the first time on record that Canadian crude has been so used. The product is being shipped regularly to air training schools in the three Prairie provinces.

Previously, it was all refined from imported raw oil, except for a relatively small amount from the Imperial Oil wells and refinery at Fort Norman, N.W.T.

Turner Valley petroleum is a reasonably satisfactory but not ideal substitute for imported crude. The war effort demands that it be used wherever economically possible, as every barrel of Canadian oil refined means precious U. S. dollars saved.

Sulphur In Turner Crude

T. V. crude has a sulphur content which causes technical difficulties when processed for aviation gas, but it can be extracted by special treatment. Further, a barrel of T. V. oil produces only a small amount of plane fuel in relation to the total amount of gasoline produced, breaking down to yield about 15 to 20% aviation fuel, 40 to 50% ordinary motor fuel and the balance of kerosene, bunker fuel, etc.

The swelling of refining facilities may not yet be at an end. Recent expansion has prepared for the big increase in 1941 demand, but as one official puts it: "If we haven't anticipated the need adequately, we can take care of it within a reasonable time by further expansion." Surplus capacity is available at present, as indicated by the fact that the aviation fuel refining equipment at the B. A. Oil plant in Calgary is operating only part time. Production will be stepped-up in line with demand.

All Types Available

All the required types of plane gas are prepared in Canada. Even the highest rating 100 octane fuel is available by blending the regular aviation stock oil with an imported high octane blending agent—a synthetic.

The 100 octane fuel is consumed in the smallest quantities of any type required in Canada. It is used primarily by Lockheed 14 planes on the transcontinental service of Trans-Canada Air Lines. The Lockheed Hudson (recognized in Britain as the best bomber yet sent from the U. S.) also uses this type, but only when greater power is needed in the takeoff. For cruising, it switches to 87 octane.

Most widely used in Canada now is 87 octane, for advanced training planes like the Avro Anson and Harvard, and fighters such as the Hawker Hurricane. Fleets, Tiger Moths and other primary trainers burn 80 octane.

Refining of crude oil into its various components is similar in principle to dressing a steer. The "filet mignons" of the crude are the best liquids taken out first for aviation gasolines. From what remains come the "roast beef" or automobile gasolines. Then the kerosenes, furnace fuels, lubricants and finally the "oxtail" or bunker fuel content, used under heavy duty boilers to generate steam for engines like those on warships.

To the petroleum producers, the needs of the Air Training Plan mean that supplies of crude for all gasoline must be stepped-up something like 5% to 7%. But this is a relatively simple obstacle to hurdle. Foreign supplies can be increased. Already Canada imports most of the crude for the 800 million gallons of gas burned annually in Canadian automobiles, trucks and tractors.

The plane demand does emphasize, however, the producers' major 1941 aim—to find large oilfields in Canada besides Turner Valley. This would lift a big load from the shoulders of Finance Minister Ilsley, who must pay Ottawa's foreign bills.

Turner Valley can supply only the prairie market, as any excess production in the past has not been big enough to justify pipe lines west of the Rockies or east of Winnipeg. T. V. output has been growing steadily, and is expected to jump 30% in the first six months of this year, compared with the same 1940 period. However, it is outpaced by increasing demand, and there is doubt even now whether the large needs of the prairie air schools can be supplied consistently without imports.

Use All Turner Output

Last summer, before the plan was little more than launched, farm tractors (harvesting the big wheat crop) took all the oil the Valley could supply, as well as some from Montana. Running all out, every day of the year, the field perhaps cannot produce more than 9 to 10 million barrels, and 1940 prairie consumption was 11 million barrels according to Oil Controller Cottrelle.

Up until Feb. 1 of this year, it always has been necessary to cut T. V. production sharply in the winter months, when demand is abnormally low. Sufficient storage was not available to stock up for big summer demands.

Now, however, chances are excellent that current allowable output of 26,000 bbls. daily (virtual capacity) will be a minimum "for the duration." Storage is being increased, refineries having agreed to supply accommodation for 27½% of the estimated year's requirements of crude oil for each refinery. Further, needs of the prairie air schools will continue to climb for probably another year and take up much if not all the off-season slack. Total of 28 schools already are operating, and of 36 to be added to the fulltime training scheme during the coming summer, some will be on the prairies.

What Crude Used

The four maritime and nine Quebec schools are supplied with gas refined largely from South American crude, and the two B. C. and 37 Ontario schools mostly from U. S. supplies. The tendency now is to replace the latter with as much of the "down under" product as possible, so the refinery of Imperial Oil at Sarnia is starting now to receive 10,000 bbls. daily. From this could be produced roughly the amount of aviation gas likely to be needed every year by capacity operation of the Commonwealth Training schools.

South American crude will help ease Canada's drain on foreign exchange. It works like this. International Petroleum Co. is controlled by Canada's Imperial Oil Co. and has big production in Venezuela, Colombia and Peru. Much of the money paid by the Dominion Government to this company, therefore, comes back to Canada in the form of dividends for shareholders.

Take More From Colombia

Reflecting the success of Ottawa's efforts, Colombian oil exports to Canada in the first nine months of 1940 jumped over 50% to 6.1 million bbls., compared with 4 million in the same 1939 period. Also, U. S. shipments dropped sharply by over 30% in the first 15 months of the war—to 3 million bbls. in November, 1940, as against 4.4 million in September, 1939.

Hopes of eliminating or even substantially curtailing imports during the present war are not very bright, as discovery of new oil fields is bound to take time. Turner Valley has proved an important ally on the economic front, but oil men now recognize the need to supplement it, as its boundaries and rough limits of production seem now reasonably well known.

New ways to reduce the drain on foreign exchange for oil products are being sought continually by engineers and chemists of the Dominion Government and the refining and producing companies. One problem, to find an aviation lubricant which can be refined 100% in Canada, has been solved within the past few years.

Imperial Oil Co. engineers have developed an oil which is said to measure up to specifications of the R. C. A. F. and T. C. A. Production has started at Sarnia, as freight charges and exchange permit it to compete with the foreign oils.

Smelters Issues Stock To Long-Service Worker

From Our Own Correspondent

MONTREAL.—Consolidated Mining and Smelting Co. of Canada advise Montreal Stock Exchange that, following a decision of the board of directors, 453 shares of capital stock have been set aside as a bonus for employees of long term service. Of this number 411 shares have actually been issued, bringing the number of shares outstanding to 3,276,330.

BASE METALS

A new sales agreement has been completed by Base Metals Mining Corp. for sale of zinc concentrates which will result in a higher return for the product. The agreement was negotiated last October, it is stated.

List Jason Stock On Toronto Mart

Expect Shares to be Called for Trading Before End of Month

Shares of Jason Mines have been approved by the listing committee of the Toronto Stock Exchange and it is expected that the company's stock will be called for trading some time before the end of February.

Listing information gives capacity of the company's mill as 175 tons with 130 tons daily being put through at the present time. Proved ore at Sept. 15, 1940, was estimated at 78,788 tons averaging $18.90 a ton with 73,000 tons of indicated ore expected to grade $17.66 a ton.

Drifting northward on the 200-ft. level of No. 1 shaft has opened up a new shoot of ore with a length of 100 ft. Drifting to the north at the 600-ft. level of No. 2 shaft has also disclosed 75 ft. of new ore. All drift material from both shoots was milled during January.

Ore from development faces was responsible for a decline in output in January with $58,773 recovered compared with $60,404 for December. The average grade of ore treated was below the objective average in January, the company reports.

Waite-Dufault Deal Seen As a Big Money Saver

Formation of a new company by Waite Amulet Mines and Lake Dufault Mines to undertake the mining of the lower "A" ore body which lies on both companies properties appears likely to mean a very substantial saving of money as well as greater safety of miners through one co-ordinated mining effort.

From the Lake Dufault point of view, formation of the new company will avoid the costly operation of shaft sinking and possible erection of a separate treatment plant. From the Waite Amulet point of view, the lower "A" ore body can now be handled as a single operation and a greater tonnage of ore has been made available for treatment in the Waite Amulet mill.

Split-Up On Shares

Amulet Dufault Mines—the new company formed to take over the "A" ore body—has an authorized capital of 3,525,000 shares of which 3.3 million are being issued to Waite Amulet and 220,000 shares to Lake Dufault Mines. Arrangements are being made by the new company for mining and milling of the ore.

The deal by which the new company takes over the lower "A" ore body is believed to be unique in the annals of Canadian mining. A rectangular block of ground containing the ore body in its centre, extending down to 1,200 ft., is taken over. Mineral rights surrounding and below this section of ground is retained by each company concerned. Limits of the lower "A" ore body are fairly well known from the large amount of drilling carried out, allowing a deal of this character. As the ore body is flat-lying, it is believed that it will lie entirely in the section of ground above 1,200 ft.

Altogether the lower "A" ore body is estimated to contain 3.7 million tons of ore of which 430,000 tons averaging 6.4% copper, .04 oz. gold and 1.5 oz. silver a ton lie within the Lake Dufault boundary.

SUNDANCE DIVIDEND

A dividend of 1 cent a share has been declared by Sundance Royalties, payable Feb. 28, 1941, to shareholders of record Feb. 20.

Mining Concentrates

Arntfield Gold Mines is stated to have developed sufficient ore for several months milling operations in its new programme of work which is being chiefly concentrated on diamond drill exploration. Details of results on drilling are expected to be published shortly. Preparations are stated to have been completed for deepening No. 2 shaft from 670 to 900 ft. to open up two new levels.

* * *

Aunor Gold Mines showed an increase in production for the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	37,884	412	11.61	439,913
Sept. 30, 1940	37,670	409	11.35	427,522

* * *

Bobjo Mines and its associates are reported to have formed Canadian Magalloy Ltd. to continue research work which has already been in progress for several years. The company is capitalized at 150,000 shares of which 60,000 shares have been purchased by Bobjo and others associated with the company. A test plant which produces 30 pounds of the metal daily is now being operated by the company at Ottawa and plans are being considered to install a pilot plant which will produce considerably more. Process is stated to involve a straight reduction method for dolomite with heat one of the principal factors.

* * *

Buena Vista Mining Co. had an operating profit of $50,713 in the fiscal year ended Sept. 30, 1940, but after write-offs, taxes, and other charges, a net loss of $290,090 was experienced. In the previous fiscal year an operating profit of $97,946 was realized with net loss of $214,251. Production amounted to $562,117 for the latest period.

* * *

Cayuga Gypsum Co. plans sinking of a shaft to explore a white gypsum vein following putting down of six drill holes, according to James Rose, president.

* * *

Delnite Mines reports a sharp increase in production the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	38,453	418	6.46	248,564
Sept. 30, 1940	30,272	329	6.70	202,799

* * *

Central Cadillac Mines reports a considerable increase in production for January. Ore was drawn from all four levels.

Period:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Jan., 1941 ..	5,477	177	6.32	34,642
Dec., 1940 ..	4,586	148	5.97	27,523

* * *

Dome Mines showed an increase in output in January:

Period:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Jan., 1941 ..	53,800	1,735	12.25	659,152
Dec., 1940 ..	52,100	1,681	12.61	656,874

* * *

Hallnor Mines reports a slightly higher output for the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	34,975	380	19.90	696,103
Sept. 30, 1940	37,171	404	18.45	685,865

* * *

Gunnar Gold Mines showed a slight decrease in production in January:

Period:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Jan., 1941 ..	4,332	140	12.56	54,396
Dec., 1940 ..	4,343	140	13.19	57,268

* * *

Little Long Lac Gold Mines showed a very small decrease in output the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	28,760	313	15.04	432,600
Sept. 30, 1940 ..	28,500	310	15.24	434,328

* * *

Nabco Manganese states an adit tunnel on the Gowland mountain property in New Brunswick has been driven 105 ft. with No. 2 vein expected in another 100 ft.

* * *

Magnet Consolidated production was off the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	11,075	121	24.14	267,370
Sept. 30, 1940	11,619	126	23.57	273,865

* * *

Omega Gold Mines had a slight decrease in production the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31, 1940	43,869	477	4.90	214,762
Sept. 30, 1940	43,841	477	5.08	222,791

* * *

Perron Gold Mines has extended its "shaft ore" at the 1,750-ft. horizon to 150 ft. from the shaft by a drill hole which returned 2.4 ft. averaging 0.7 oz. gold. A deeper section in the hole at 1,950 ft. went 0.18 oz. over 3.4 ft. No. 5 vein was deepened in January, 102.3 ft. to a depth of 2,075 ft. Production in January was $154,025 from 13,857 tons of ore compared with $152,015 from 13,361 tons of ore in December.

* * *

Porcupine Lake shareholders at a special meeting on Feb. 3, 1941, approved an option agreement with Ventures Ltd. and an associated company. Ventures has already advanded about $26,000 to Porcupine Lake. The present agreement calls for diamond drilling to start this spring. During the life of the agreement, Ventures and associate have the right to form a new company with maximum capitalization of 4 million shares. Ventures and associate would get 1.7 million shares if $340,000 should be spent with 1.3 million shares to go to Porcupine Lake.

* * *

Sheep Creek Gold Mines had a considerable drop in production in January:

Period:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Jan., 1941 ..	4,649	150	13.63	72,653
Dec., 1940 ..	4,479	144	20.23	90,653

* * *

Siscoe Gold Mines has declared a quarterly dividend of 2½ cents a share, payable Mar. 15, 1941, to shareholders of record Feb. 15.

* * *

Silbak Premier Mines showed a reduction in output in January:

Period:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Jan., 1941 ..	14,139	456	7.73	109,324
Dec., 1940 ..	14,000	452	9.16	128,303

Yellowknife area now has hydro-electric power available, according to the Dominion Department of Mines, with Con, Negus and Rycon receiving electrical energy from the first unit installed. Ptarmigan, Thompson Lundmark and Giant Yellowknife will be supplied in the near future, it is stated.

Power Arranged For Jerome Mill

A contract for hydro-electric power has been negotiated with the Ontario Hydro-Electric Power Commission by Jerome Gold Mines, following surveys by the company's own engineers which revealed cost of building the company's own power plant would be prohibitive.

Bulk of the material for a 500-ton cyanide mill has been ordered and construction will be started as early as practicable this spring. Clearing of the right of way for the power line was started in December and it is expected that electric power will be available in April over a 42-mile line.

Development of the 500-ft. level, combined with flat drilling on the various levels has indicated ore reserves of over 600,000 tons assaying 0.189 oz. gold per ton cut before dilution. Shaft sinking was to be resumed before end of January and it is planned to develop two new levels at 150-ft. intervals on completion of sinking.

Freighting of mill material from the railway was started in December.

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LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1940), $12,147,569
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

DUN & BRADSTREET of CANADA, Limited
The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

THE
STERLING TRUSTS
CORPORATION

Balance Sheet, December 31st, 1940

ASSETS

CAPITAL ACCOUNT:		
Office Building and Office Equipment	$ 97,144.54	
Real Estate held for sale	142,578.51	
Mortgages and Agreements for Sale	383,136.89	
Stocks and Bonds	81,193.08	
Loans on Stocks and Bonds	610.55	
Advances to Estates and Trusts	115,939.99	
Accounts Receivable	13,086.42	
Cash on Hand and in Banks	72,020.70	
		$ 905,710.68
GUARANTEED ACCOUNT:		
Mortgages	$ 1,850,411.80	
Government and Municipal Bonds	291,723.09	
Cash on Hand and in Banks	84,749.25	
		$ 2,226,884.14
ESTATES, TRUSTS AND AGENCIES:		
Investments and Assets held	$ 5,730,530.86	
Cash on Hand and in Banks	187,752.59	
		$ 5,918,283.45
		$ 9,050,878.27

LIABILITIES

CAPITAL ACCOUNT:		
Capital Paid Up	$ 802,800.00	
Reserve Fund	50,000.00	
Reserve for Taxes	10,848.57	
Accounts Payable	1,579.95	
Dividend Payable January 2, 1941	12,041.75	
Profit and Loss Balance	28,440.41	
		$ 905,710.68
GUARANTEED ACCOUNT:		
Guaranteed Trust Certificates	$ 1,920,644.15	
Deposits	306,239.99	
		$ 2,226,884.14
ESTATES, TRUSTS AND AGENCIES		5,918,283.45
		$ 9,050,878.27

PROFIT AND LOSS ACCOUNT

Balance brought forward from 1939	$ 27,160.54
Net Profit for year	41,247.11
	$ 68,407.65
Appropriated as follows:	
Reserve for taxes	$ 12,550.84
Reserve for Depreciation	2,333.11
Dividends	24,083.29
Transferred to Retirement Fund	1,000.00
Balance carried forward to 1941	28,440.41
	$ 68,407.65

W. H. Wardrope, K.C.
President

Charles Bauckham
Managing-Director

53 years old - - -
and still going STRONG
"LE PRIX COURANT"
is still serving the interests of the French merchants in the Province of Quebec after more than HALF A CENTURY

10 GOOD REASONS WHY
"LE PRIX COURANT"
is the ONE French Business Paper that is more than ever a necessity in reaching Canada's Richest French Market.

"LE PRIX COURANT"
1.—is the ONLY business paper that THOROUGHLY covers the better class merchants in this fertile market.
2.—is growing STEADILY and SOUNDLY in both reader and advertiser acceptance "WITHOUT FORCING."
3.—has the unrivalled CONFIDENCE and RESPECT of its readers.
4.—has and holds PRESTIGE with advertisers who have given it the acid test of TIME (53 years).
5.—is able to offer EVERY FORM of business paper advertising: black and white, colour, inserts and bleeds.
6.—merchandises its advertising INTELLIGENTLY with the best interests of its advertisers always uppermost in mind.
7.—is a sure cure for any SALES PROBLEM in this outstanding French Market.
8.—Printed in French and edited in Montreal since 1887, it is the KEY to the Province of Quebec's tremendous BUYING POWER.
9.—French Canada rates top position on your list of MUST markets. The MARKET and the MEDIUM deserve it.
10.—Your advertising message translated into INTELLIGENT FRENCH at NO EXTRA CHARGE.

Send for sample copy and advertising rates

"LE PRIX COURANT"
Journal du Commerce
HEAD OFFICE: 1010 ST. CATHERINE ST. W., MONTREAL, CANADA
ONTARIO OFFICE: 481 UNIVERSITY AVE., TORONTO, CANADA

Cuba--The Caribbean Headache

(Continued from page 11)

United States protectorate of Puerto Rico that evening. The city of San Juan there is historic in the annals of the Spanish colonial times. Now it is concerned chiefly with United States military and naval operations. Enormous harbor and airfield works are going on. Everybody there jokes about how slowly they are going on.

An early start the next morning by clipper brought me north over the stepping stones of the Caribbean. This would be a romantic route to travel in a yacht or ambling tramp steamer. We crossed the Windward Islands, Grenada, St. Vincent and St. Lucia; the Leeward Islands, Martinque, Fort de France, Iles des Saintes, La Guadeloupe, Antigua, St. Christopher, the Virgin Isles. On the second day's flight we were over the Dominican republic and sat down for a few minutes at its capital, Cuidad Trujillo, then on to Port au Prince, main spot in voodoo land of Haiti. I left the clipper at Antilla, Cuba. It went on to Miami. I took the Cuban airliner to Havana.

Airplane is a good way to get places, but you don't see much. Until I caught on to that I was disturbed because the windows are so small, and so inconvenient to see out of.

However, I did get a look at Cuba. On this 500-mile trip we travelled only about a mile high, perhaps because there was a storm above us. Part of the time we were brushing the underside of a heavy fog which brought us down not far from the tree tops.

Cuba looks like a garden, the soil the color of a brown-skin girl. The sugar mills, most of them not much bigger than the chopping mills I know in Ontario, are surrounded by tiny village communities: store, club and a dozen or two neat, comely cottages. Houses of the colonos or independent farmers are white walled, thatched, roofed, models for the cottages in the Walt Disney fantasies.

Very extra-special is the station wagon that takes air passengers—free — to their hotels in Havana about half an hour's drive from the airport.

Outside of that station wagon, most of the swank vehicles around Havana belong to army officers. No flivvers for these chaps. Cadillacs, Packards or at least Buicks or Chryslers.

That is part of "the situation" here. President Fulgencio Batista was a sergeant's secretary until he led a successful revolution. He is said to be a very amiable young man with a nice smile and considerable personal courage. Also he is said to have learned a great deal since he came into prominence a few years ago. But he came into power with a "back concession" complex. Everybody from the country was good and everybody with money was bad. The old way, the way the so-called experts advised, was either selfish, stupid or worse. The new broom was really going to do a job.

Since the army is the key to authority here, as in most other South American countries, Batista gave his back concession complex a big run by getting rid of all officers who had old ideas about war. He superseded them with young men not tainted with any aristocratic army traditions nor with anything but his own views on government, labor, business and life.

But fine uniforms to wear, fine cars to drive, army servants to look after them and sweet incomes—from one source and another—have made new men out of them. Hence Cuba has a new aristocracy of arms.

After Mexico, this is the next biggest Communist dive in the western world. The Reds are very active. They find blacks in the sugar mills easy prey. Their support in the government is important to Batista and they keep prodding him constantly to move leftward.

Here the Communists are the real "hard-shell" variety. In this they are unlike their fellows in many parts of South America who are playing along with the Nazis.

The German cause here is promoted chiefly by the Phalange, the followers of Spain's Franco. To call a Cuban a Spaniard is considered an insult. But the business community seems to have many Spaniards who are anxious to march in the Franco-Hitler ranks. The Communists are engaged mainly in baiting the Phalange group and in pushing Cuba leftward. They have a daily newspaper with hardly any advertisements. Its appearance day after day, year after year, means only one thing, subsidy.

Follow U. S. War Lead

Apart from the Communist and Phalange groups, Cuba's stand on the war is not difficult to ascertain. Officially it is abundantly realized that Cuba's sentiments must be those of the United States.

Reflecting Cuba's eagerness to stand with the United States on these matters is an anti-propaganda measure which is all ready and may be signed any hour now. It is so general in wording as to be useful against any nation or cause. But the Phalange is slated for first attention, I am informed. It is regarded as probable here that the Spanish ambassador will be asked to depart. Whether Batista will forego his Communist support and turn his new weapon against the Reds is a question of major interest.

Most discomforting for the totalitarians is the triumphal tour through the country districts of Sir George Ogilvie-Forbes, British Ambassador.

Sober observers here have no doubt about Britain holding the sympathies of the Cuban Government.

Dance of the Millions

Neither mentally nor economically has Cuba ever recovered from the years of the "Dance of the Millions." That was immediately following the first great war when the price of raw sugar went to over 11 cents a pound, making fabulous fortunes for Cubans. Raising sugar at any time in this country is one of the simplest and easiest forms of enterprise: stick a foot-long shoot in the ground; heaven does nearly all the rest; a sugar mill nearby takes it off your hands and you spend the proceeds.

In those fat years the Cubans did. Paris knew them as frenzied buyers of chateaux and fineries; as incomparable sportsmen. Since then sugar prices have been doing a persistent diminuendo, as Europe and other countries offered more and more competition.

Cuba had its big depression six years before the rest of the world. Then for good measure it got another crack on the head in 1929. Sugar prices were down to 1.7 cents and continued on down to seven-tenths of a cent a pound.

But Cuba is still looking back to the golden days of 11 cent sugar as the normal and just state of affairs.

If the individual Cuban realizes that his pocketbook isn't what it was and probably never will be, his government is still assuming and spending as if the good old days are bound to return.

U. S. Loan Held Up

This is one reason why the United States is holding out on Cuba's cry for $50 millions from the Import-Export Bank. Here is how Cuba proposed to spend it: Public works, some of them developmental in nature, but a large part of them allegedly of the more decorative and luxurious type; an agricultural programme involving laboratories, scientific stations and irrigation projects. But the part that probably had as much as anything to do with killing the prospect was the $10 millions asked for budget balancing. The budget this year is expected to be around $80 millions and the cumulative deficit is estimated at between $50 and $90 millions. That is considered pretty sizeable for a country of 4 million people.

Cuba used to plant for a production of over 5 million tons of sugar a year. This year planting will probably be for 2 or 2½ million tons. But the visible market is only for 1.7 million tons. And the price is away down around 1.35 cents per pound.

Tobacco is in the doldrums because recent years have seen new sources of supply develop and the war and exchange regulation have closed former good markets in Europe and in South America.

Cuba has great herds of cattle—there are many big ranches with as many as 5,000 head—but little has been done yet to produce high grade beef. Ticks, which drill holes through the animals, hide along the spine. Thoughtless and frequent brandings in vulnerable spots makes Cuban hides about the lowest grade on the market.

Canada has a very big stake in Cuba. In banking and in insurance, Canadian institutions do a very large part of the business and have very extensive assets in this country.

The Royal Bank of Canada has 22 branches throughout the island, the bank of Nova Scotia has eight and the Canadian Bank of Commerce has one.

The Sun Life of Canada does an enormous life insurance business and so do other Canadian life companies such as Confederation, Manufacturers, Imperial and Crown. Not far from $100 millions of life insurance is held with Canadian companies and Canadian companies have about 85% of the total life business on the island.

Canada's trade with Cuba is small, around $1.4 million a year. Because of the unique trade agreement of Cuba and United States, prospects for enlarging our trade here are not considered very bright.

There has, however, been a very strong growth in the first year of war, almost entirely in the items we were already selling here. Newsprint has long been the main export and since war Canada has taken over the whole local market. Dried fish was a big item and, as with newsprint, Canada has taken over the former Scandinavian business. In malt for beer making Canadian sales have increased since collapse of Czecho-Slovakia. There has been some competition on this item with United States but it looks as if most of the business will eventually be Canada's. We have long had a large part of the seed potato business and the market for calcium carbide has expanded with the collapse of Poland.

Flour Prospects

One major prospect for improving our trade here is now being investigated: flour. Cuba buys about $5.5 millions of flour a year. Virtually all of it now comes from the flour mills around Buffalo and a bit from Minneapolis. The wheat is bought in Canada, milled in these U. S. mills under bond and shipped here under U. S. tariff privileges.

Until very recently Canadian flour mills were not prepared to supply the special needs of the trade here. This is now possible, I am told. Canada has lower operating costs and has the 10% exchange advantage. But how well these will offset the advantages of U. S. mills, especially for by-products, has yet to be worked out fully.

U. S. Has Big Advantage

For the Cuban trade treaty with the United States, the only country that has anything like it, leaves little opening for commodities or manufactured products other than those in which Canada has a clear natural advantage, such as newsprint, etc. Under that treaty tariff preferences for the United States run from 20% to 80% of the value of the duty. Furthermore, a covering clause in the treaty provides that whatever trade advantages are granted to any other country, the United States must retain its same relative advantage.

Hugh A. Chisholm, Sun Life manager here, is a very live wire Canadian who takes a very active part in Cuban community life. He is in on half a dozen community enterprises.

V. W. Cox, superintendent for Bank of Nova Scotia, is from the Maritimes. He has spent about half his life in the islands in the Caribbean, but seems to find Nova Scotia still the best place for holidays.

J. R. Stewart, superintendent for the Royal Bank, and W. T. Alexander of the Commerce are very definitely kingpins in Cuban business affairs. Mr. Stewart is from Aberdeen and doesn't know whether Canadians call him Canadian or not.

C. S. Bissett is Canadian Trade Commissioner here and has recently got a new assistant, Maurice Belanger, who was chased out of Belgium along with so many confreres. Gordon R. Clark, a Canadian, is managing a Procter & Gamble soap works.

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GUARANTEED BRITISH MANUFACTURE
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★ Remember—Just one kind of drive is completely automatic, has no clutch pedal at all and *never* requires any manual operation even for quick acceleration! That is the original Hydra-Matic Drive. *More* than a fluid coupling, *more* than an automatic transmission it is *a combination of both.* It simplifies driving . . . steps up performance . . . and saves gas. Ask your Oldsmobile dealer for a trial.

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CHECK WHAT HYDRA-MATIC DOES COMPARED TO OTHER DEVICES

	DOES IT ELIMINATE THE CLUTCH PEDAL?	DOES IT DO AWAY WITH ALL CLUTCH PUSHING?	DOES IT GIVE YOU FULLY AUTOMATIC SHIFTING?	DOES IT GIVE FULL ACCELERATING POWER WITHOUT MANUAL SHIFTING?	DOES IT HAVE A SPECIAL PICK-UP GEAR?	DOES IT ALWAYS REMAIN IN GEAR WITH NO FREE WHEELING?
HYDRA-MATIC DRIVE	YES	YES	YES	YES	YES	YES
OTHER DEVICES	NO	NO	NO	NO	SOME	SOME

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Another Year of Progress

The passing of 1940 marks for this Company another year of steady and consistent growth.

TOTAL ASSETS	$ 9,713,570
POLICY RESERVES	7,653,750
INCOME FOR YEAR	1,446,635
AMOUNT IN FORCE	33,884,800

INCORPORATED
JUNE 22
1920

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HEAD OFFICE - - TORONTO, CANADA

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surely you realize that

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"By investing in War Savings Certificates people are not only helping to win the war, but also helping to protect the nation and bring security to themselves after the war. The additional purchasing power that will be made available after the war when the Savings Certificates are paid off, will create a demand for goods at a time when we will be able to produce them more easily and cheaply. This demand will provide employment when we most need employment.

By buying War Savings Certificates now, instead of goods, we will be helping to give one another jobs after the war.

That is not all, however. There is a personal aspect as well as a national one. Savings made during the war will enable individuals to get ahead after the war.

Now is the time when private virtues of thrift coincide completely with the national interest."

The importance of War Savings both NOW and after the war, to the Nation and to Business, is clearly stated in the above quotation from a speech by Mr. Ilsley, the Minister of Finance.

War Savings Certificates have been designed as an easy convenient method for war saving for Canadian wage and salary earners. The Payroll Savings Plan provides an easy, convenient method for their purchase.

But the success of the Payroll Savings Plan depends on the enthusiastic co-operation and leadership given by yourself and other employers.

If you have not already organized a Payroll Savings Plan in your office, warehouse or factory, in the national interest—in your own interest—do so at once. Don't be satisfied till every one of your employees is pledged to the limit of his or her ability to the regular purchase of War Savings Certificates.

This Is Your Responsibility—Act Now
Today is not too late

The National War Savings Committee: W. H. Somerville — de Gaspe Beaubien, National Chairmen, Ottawa

If you need assistance, call upon your local War Savings Committee